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PULPWOOD

... AND ITS ...

PROBLEMS

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BEING A SERIES OF LETTERS AND INTER-
VIEWS REPUBLISHED FROM
THE GLOBE

10c. PER COPY

GLOBE PRINTING COMPANY,
TORONTO, CANADA

1907

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INTRODUCTION.

During recent years, and particularly within the last two, the newspapers of this country have frequently recorded the purchase or lease by Americans of pulpwood areas in different parts of the Dominion for the purpose of exporting the wood to pulp and paper making establishments on the southern side of the border. They have also recorded the growing purchases, for export purposes, of pulpwood cut on the lands of settlers and farmers, principally in the Province of Quebec. In addition, many items have lately appeared in the press tending to show that Americans are now turning their attention to the immense pulpwood areas of Ontario as a present and future source of supply for their pulp and paper mills. These conditions led the management of The Globe, early this summer, to decide upon an inquiry, with a view to giving the readers of the paper some idea of the manner in which one of the greatest natural resources of this country is being largely exploited for the benefit of foreign competitors in trade and commerce, and to start, if possible, a discussion that might result in concrete action should such be shown to be necessary. Mr. J. S. Crate, then a member of The Globe staff, and myself were entrusted with the inquiry. He dealt with the situation and conditions as they apply to the region usually referred to as New Ontario. I visited points in the Provinces of Quebec and New Brunswick, and finished my part of the investigation at Ottawa. The result of our respective tours was the lectures and interviews herein contained, and which appeared in The Globe on the dates attached to them. These, because of the importance of the subject dealt with, have attracted considerable attention in Canada and the United States, and have been widely commented upon by the press of both countries. Many private letters have also been received by The Globe, commending the management for undertaking the investigation.

The inquiry was in no sense of the word political, nor was it narrowed to any one specified course. The articles, written in the hope that they might interest the average reader as well as those who have a deeper concern in the question because of business reasons, were published as penned by the investigators, and in so far as the latter may seem to favor certain lines of action, their views are their own, absolutely untrammelled by any suggestions from The Globe management. It is not claimed, of course, that these articles constitute the last word on the question; that would be a manifest absurdity. Nor was everyone directly interested interviewed at the places visited. Some of those whose opinions The Globe was anxious to obtain were in Britain, or elsewhere, on holiday or business trips, while the inquiry was progressing; others declined to discuss the question. But it is contended by Mr. Crate and myself that as neither of us has any monetary interest in a pulpwood, pulp or paper business, we carried out the duty entrusted to us without any other consideration than a desire to be fair.

WILLIAM BANKS, Jun.

Toronto, Sept. 30, 1907.

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[From The Globe of July 11th.]

ARTICLE NUMBER ONE

Quebec.—Some four million of spruce logs were floated down the St. Maurice River in the Province of Quebec this season, of which at the outside two and a half millions were for Canadian pulp and paper mills and the rest were or are still being shipped, mostly from Three Rivers, to the pulp and paper mills of the United States. What is true of the particular district named is true also of many other spruce districts of the Province of Quebec, and to a lesser degree of the Province of New Brunswick. In other words, Canada is furnishing to Wisconsin, New York and other States of the republic to the south the raw material to be manufactured into goods which come into competition with the manufactures of this country in the markets of the world. What is Canada getting in return? Practically nothing. True, the land is left; there are also the stumps of the trees; a comparatively small amount is obtained for labor and transportation, and that is all; while around the American mills, whose hungry maws would have no food, or not enough to satisfy them, at any rate, were it not for the raw material furnished from the Canadian side, there are busy, thriving and expanding communities. The Americans are taking pulpwood, while the sun shines so to speak, and without being unkindly it would at least seem as though their attitude while they are so doing is that of the man who smiles at his neighbor's easiness and occasionally puts his tongue in his cheek when the situation is made the subject of conversation.

An Awakening Coming.

There are, however, signs of an awakening in Canada. A staff correspondent of The Globe who made a trip through the Provinces of Quebec and New Brunswick with a view to looking into the question found that there is on all sides a disposition to take stock in a belief that something practical must be done if Canada's remaining forest areas are to

continue to be a source of growing revenue to this country, and are not to be largely depleted for the benefit of a people who speak the same tongue but are, and particularly in the competition of commerce, aliens.

Naturally, opinions differ as to what steps should be taken with this end in view. So also do the conditions which would be affected by any course not yet followed, and plans might be adopted by the various Provinces, or by a general method put into force by the Federal Government. At the outset, however, it may be said that the result of the inquiry revealed a general feeling that action by the Dominion Government was the only possible course that could be followed with fairness and with any hope of effectiveness.

Provinces Will Not Take Action.

There is no prospect of either Quebec or New Brunswick following the example of the late Liberal administration of Ontario and prohibiting the export of unsawn lumber from Crown lands, or compelling the manufacture of pulp and paper in Canada from pulpwood cut on such lands. In Quebec there are several reasons for this. One is that the Government of the day is in honor bound by the action of the Parent Administration in fixing the Provincial tariff or tax on pulpwood cut on Crown lands at a specified rate for ten years, which period expires in 1910. Other reasons have to do with politics in that Province, and it is not unfair to say that neither the Government nor the private members of the Quebec Legislature are anxious to take the onus of any step that might and would undoubtedly be resented by the settler or farmer.

Where the Shoe Pinches.

A great many of the latter class derive no inconsiderable revenue from pulpwood, and there exists a feeling among them, undoubtedly judiciously fostered by interested parties, that anything which would prevent the Americans buying pulpwood from them, either

directly or through the jobbers, would result in a noticeable decrease in prices. Of the "settler and the farmer" something will be said in later articles. Then, again, there is the contention that any measure such as that in force in Ontario would be a most unfair discrimination against those who have leased lands from the Crown under the protection afforded by the Parent regulation referred to, and an unfair advantage to the settlers, farmers and other holders of private lands from whom Americans buy large quantities of pulpwood.

New Brunswick's Attitude.

In New Brunswick the feeling of the Government, as voiced by one of its members, is that the Dominion Government should enact an export duty or a regulation absolutely prohibiting the exportation of pulpwood. It is held there that it is no part of the duty of a Provincial Government to pass prohibitory measures in dealing with the products of the forest lands. The exportation of pulpwood is just beginning to assume large proportions

in that Province, which does not even collect any special tax on wood shipped out of the country, and the matter is being seriously discussed not only by Provincial users of pulpwood, but by others who would prefer to see the raw material manufactured in their own Province, with all that that would mean in the shape of new industries, new communities and big wage bills.

To conditions in Ontario it is not intended to refer just now. One point of interest, however, is worth recording, namely, that The Globe found general commendation for the action of the former Administration of this Province in enacting the legislation above referred to in respect to lumber and pulpwood. Even among those who are opposed to any step by the Dominion Government which would prevent the Americans from taking all the pulpwood they can get from this country to manufacture it in their own, praise of this action was not withheld. It was spoken of as a courageous and most fortunate step for the Province of Ontario.

[From The Globe of July 12th.]

ARTICLE NUMBER TWO

Quebec.—The inquirer into conditions in Quebec relative to the demand from the United States for Canadian pulpwood will be sure to find some people to argue that the Americans are playing a foxy game; that they have all the pulpwood they want in their own country, but they are just hoarding it for the future, getting their supplies in the meantime from any point in Canada where they can. This argument seems to have no foundation in fact. Indeed, it is absolutely at variance with the bulletins and reports of the forestry service division of the United States Department of Agriculture. Apart from the latter, it is impossible to conceive that a people so utilitarian as those of the United States would of their own choice come to this country to buy pulpwood for their mills, bearing the cost of transportation for long distances and

other inconveniences and expenses, if they could get all the raw material they wanted in their own country. That the pulp and paper makers of Wisconsin, if they could get what they wanted nearer home, would go to the trouble and expense of buying pulpwood in the Province of Quebec and carrying it, by water and rail, a distance of nearly 1,500 miles, with the result that it costs them between \$14 and \$15 per cord by the time it reaches their mills, will not be believed by the average man. The facts are that the United States supply is running short, that Americans must have pulpwood from Canada, the nearest source, and that this is Canada's opportunity to decide whether she will continue the present system of allowing the pulpwood to go out of the country in ever-increasing quantities for the upbuilding of the industries of the south-

ern republic, or whether she will make an attempt to control the pulp and paper making business for herself.

Depletion of U. S. Forests.

A circular issued early this year from the Washington division gives in exhaustive detail some of the story of the depletion of the forests of the United States. It is not intended to refer to it at length, but a few figures and quotations may not be out of place. In round numbers, the circular says, the increase in population of the United States from 1880 to 1900 was 52 per cent., but the increase in the lumber cut was 94 per cent. The Paper Trade Journal of New York, in an article setting forth the circular almost in full and commenting upon it, points out that "our present annual consumption of wood in all forms is from three to four times as great as the annual increment of our forests. . . Neither is there any great supply of timber to turn to outside of the United States. With the exception of importations of small quantities of high class woods like mahogany, the only promising source is Canada, but most of the timber there will be required at home." That is plain enough language, surely.

Cornering Quebec's Pulpwood.

The American pulp and paper makers at any rate have no delusion. They are bestirring themselves to make sure of supplies for their mills, and for the moment, although there have been some inquiries in Ontario from Wisconsin and the purchase by Wisconsin people of one Ontario mill and the accompanying concession, they are reaping their harvest in the Province of Quebec. In some instances they have leased lands from the Crown; in others they have bought land in fee simple from private parties, and almost invariably they are buying pulpwood from the settler and the farmer as well as from anyone else who has it to sell. A number of the Americans who have leased limits in the Province cut off the wood as rapidly as possible and reserve that on the lands they buy from private parties. They

seem to feel that at the expiry of the present regulations governing the cut on Crown lands the Provincial Government may deem it advisable to impose more onerous terms on wood cut for export. At the present time the stumpage on pulpwood cut on Crown lands is 65 cents per cord, with a reduction of 25 cents per cord if it is manufactured into pulp or paper in Canada.

There are under timber license in the Province of Quebec about 70,000 square miles of Crown lands, and of this it is known that about 12,000 square miles are held by Americans. But the American practice during recent years has been to acquire lands through companies organized in Canada as well as obtaining private lands in the same way, and at the same time buying pulpwood in the manner previously stated, so that it is practically impossible to say just how much of Quebec's forest areas are held by Americans.

All That Canada Gets.

When pulpwood is exported all that is done to it in the way of preparation in this country is to ross or bark it. The bark is useless, and it is removed to save space and freight charges in shipment. As far as possible the Americans take the rossed or barked wood to their own side of the line in their own barges or boats, but even where it has to be shipped via Canadian railways Quebec or Canada gets the least possible profit from this wood. The careful calculation of experts is that for every cord of wood exported from this country there is left in Canada a sum averaging \$6 per cord. That covers everything—labor, price to the seller, transportation charges and everything else. Converted into pulp in Canada, the average yield to this country of one cord of pulpwood would be nearly \$20; nearly \$24 if made into sulphite fibre, and between \$37 and \$38 if made into paper. These figures cover everything up to the time the material leaves the outport. The question for the Canadian people to decide is what steps should be taken to insure the manufacture of this raw material into the finished article in Canada, and not in the United States.

[From The Globe of July 13th.]

ARTICLE NUMBER THREE

Quebec.—In the discussion respecting the present conditions relative to Canadian pulpwood it should be borne in mind that, for the time being, at any rate, Quebec Province holds the centre of the stage. She has the greatest areas of fine spruce forests, bountifully served by splendid rivers on which waterfalls abound. A number of these rivers connect with the main streams, giving access to the channels of waterborne commerce to the United States and Britain. In addition to these rivers the railways of the Province are tapping the forests in all directions and areas hitherto unserved by means of transportation are now being brought within easy reach. Quebec, therefore, has the three great fundamental requisites for the making of pulp or paper, viz., cheap wood and lots of it, cheap power and excellent transportation facilities. One who knows the Province only to the extent of the general information he was able to gain in a search of particular knowledge on a specified subject may perhaps be permitted to say that the evidences point to Quebec having to rely quite largely upon her forest wealth for her future prosperity. True, there is mineral wealth, the dairying industry is assuming proportions that promise great additions to the general wealth, and there seems to be a steady growth in manufacturing.

Quebec's Great Industry.

But the lumbering industry is the great industry of the Province, and there is dawning a practical realization of this fact which should make the fostering of the industry a victory-winning policy. The fatuous talk regarding "our inexhaustible forest supplies" is still heard here and there, but not to the extent of former years, for there is taking its place a general belief in the necessity for so treating those "inexhaustible supplies" that the phrase may be applied to them with truth, and the Province assured of a source of industry and revenue for all time to come.

The objections raised in Quebec by those who oppose the imposition of an export duty on pulpwood going to the United States or its total prohibition are varied. Briefly, they may be summarized as follows:—

What Might Follow Prohibition.

(1) The fear of retaliatory action on the part of the United States.

(2) The contention that any restrictions of the nature outlined would simply result in curtailing the cut and the price and market for the wood, because the Canadian pulp and paper mills would be able to control this phase of the industry.

(3) That the settler and the farmer would suffer because in many sections of the country both are able to make a fair revenue from the sale of pulpwood on their lands; with a restricted market they would have little chance if selling at a fair price. For the settler there is expressed a particular solicitude by those opposed to any restrictions on pulpwood exportations.

The first two objections will be dealt with later in a number of interviews with men more or less directly connected with the pulp and paper trade, obtained by staff correspondents of The Globe during the course of the investigation. As to the sufferings that the settler might undergo, the sympathy of certain people seems to be somewhat strained, and it has perhaps more to do with politics than is shown on the surface. Of the many limit holders interviewed during the course of The Globe's inquiry there was scarcely one who did not make bitter complaint regarding the settler and his methods.

Where Settlers Are Not Settlers.

When a limit is leased by the Quebec Government it carries with it the right to cut all timber thereon, subject to the regulations as to the size below which the cutting of trees on Crown lands is not legal. Settlers are allowed to go on the limits and take up lots to the extent of 100 acres each, where such are fit for agricultural purposes. The licensee is given twelve months to clear off the timber on which such settle-

ment is made, but the contention of the lumbermen is that this is often an impossible task, that in the majority of cases their men have their work laid out for them on well defined lines; that it is generally impossible to break up the gangs and send men to clear off these allocations, and that the plans of the "settler" are so well laid that as a rule he gets all the timber on his lot. They charge that, as a matter of fact, many of these men are settlers in name only, that they are in the employ of speculators and jobbers, and that their sole purpose is to clear all the salable timber off the lots as quickly as possible, sell it, and then go on to another lot, on the plea that the first one was found to be not suitable for agriculture.

Clearing Out the Forest Growth.

There are no restrictions on the settler in respect to the timber he may cut, either as to size or anything else. The result is that he takes off trees that the limit holders who have pulp and paper mills would save for enlarged

growth, and practically spoils that particular lot, so far as future lumbering operations are concerned. This practice, it is charged, has been developed to such an extent that several limit holders declared that if it were put a stop to, if there was a well-defined and equitable system of encouraging settlement on lands which by survey and expert examination have been shown to be suitable, they would have no cause of complaint whatever against the Government. The present system, they declared has resulted in untold losses by the settler's axe and the settler's fires, and it is in effect a breach of faith and has built up an organization of speculative settlers which has for its object just the practice referred to.

At the Provincial Parliament buildings it was admitted that the question of the settler and the limit holder was a source of trouble and annoyance, but it was urged that it was extremely difficult to decide as to the bona fides of men who claimed to be settlers and sought settlers' patents. To a large extent it had to be taken for granted that they were in earnest.

[From The Globe of July 15th.]

ARTICLE NUMBER FOUR

Quebec.—In a speech delivered in the Quebec Legislature in April, 1903. Hon. S. N. Parent, then the Premier of the Province, opposing a motion to reimpose the tax of \$1.90 per cord on pulpwood cut on Crown lands for export, presented a mass of figures in proof of the immense richness of the spruce forests of the Province. At that time there were under timber license about 62,952 square miles of land, and the estimate of the amount of pulpwood thereon—not including trees too small to cut according to Government regulations—was 200,000,000 cords. At the rate at which pulpwood for export was then being cut on the licensed lands, Mr. Parent's estimate was that this area had a supply for no less than 4,000 years to come. The total export of the Province at that time—Mr. Parent's figures were for the license year 1901-2—was only 300,000 cords of pulp-

wood, of which a little over 50,000 was cut on Crown lands, and the rest was cut on seigniories or from lots under letters patent, which were not affected by any Government regulations. The last available returns of the Lands and Forests Department of the Province show that during the twelve months ending June 30, 1905, there were exported of the pulpwood cut on Crown lands no less than 136,340 cords, or more than three times as much as the export of 1902, on which Hon. Mr. Parent's estimates and calculations were based. The total export of pulpwood from the Province during 1905 was, according to the best obtainable estimates, between 400,000 and 450,000 cords: last year it was somewhat over 500,000, and this year, from calculations based on the orders already in and the activity of American inquiries and buyers, it is positively asserted that between 750,000 and

1,000,000 cords will go to the United States. The trouble with the predictions, calculations and estimates of a few years ago is, as has been the case in the United States, and to some extent in Ontario, that no one could foresee the immense increase in the demand from the United States for pulp and pulpwood.

Quebec's Timber Domain.

Hon. Mr. Parent, to refer again for a moment to the speech already mentioned, said that the Crown then had at its disposal no less than 200,000,000 acres of land well timbered. In a pamphlet issued in 1905 Mr. J. E. L. Dubuc of the Chicoutimi Pulp Company estimated the spruce areas of Quebec at 206,741,463 acres, comprising the regions of the St. Maurice, the Saugenay, the north shore of the St. Lawrence from the Saugenay to Labrador, the counties of Montmorency, Montmagny, Rimouski, Matane, and Gaspé, on the south shore, the eastern townships and the James Bay region. Of course large stretches of this territory are not yet accessible for commercial purposes, but with the advent of the Transcontinental Railway and the extensions of other railways, forming connecting links with the rivers, there is no reason why, in a comparatively short time, the whole of it, or at least as much as there can be any possible need of reaching for many years to come, should not be opened.

Argument Against Export Duty.

Mr. Dubuc, in his pamphlet, which is a plea against export duty, or the prohibition of the export of pulpwood, says that in the Saugenay and St. Maurice districts alone—calculating that 15,000 square miles of their combined area of 30,000 square miles are accessible and capable of being utilized to advantage—there is enough spruce wood to enable the Province to ship 400,000 cords to the United States every year, and to manufacture 300,000 tons of pulp for local consumption and for export. This result would be dependent upon proper protection against fire, rational lumber-

ing, and a regrowth of the spruce in an average of fifty years.

It is on such figures and calculations that those opposed to any other than the present system of the treatment of the pulpwood question fall back, when arguing against a change. The increasing cut on the lands available and easily worked, the danger from fire and the immense damage done by fires every year, in spite of all precautions that are taken with a view to their prevention, and the necessity of creating more forest reserves, are in part an answer to these arguments.

Danger From Railway Building.

Already the construction of the Transcontinental Railway has been the cause of serious fires in the Province of Quebec. The work is proceeding from the Abitibi end in the west, Batiscan in the east, and at intermediate points. One timber limit holder cynically declared that the usual railway plan was being followed of burning a right of way through the forest lands. While this view is rather far-fetched, it was easily ascertained at the forestry branch of the Provincial Lands and Forests Department that there is great anxiety regarding the fires already caused, and that there will be little relief until the work of construction is completed; the care will then be to guard against ignition of the forests by sparks from the engines.

Then again there is this against the assertions as to inexhaustibility of the forests, that it has already been found necessary to extend the forest reserves with a view chiefly to insuring the water supply on a number of the rivers. In most cases The Globe's representative found among the lumbermen, as well as those who might be classified as pulp men solely, a very keen feeling in respect to this question of forest preservation. Most limit holders argue that they are doing as much, or perhaps more, in that respect than anyone else, and one was found who contended that this was a truly national question, and that the agitation in respect to the exportation of pulpwood was in effect a herring across the scent.

[From The Globe of July 16th.]

ARTICLE NUMBER FIVE

Fredericton.—Conditions in New Brunswick are somewhat different from those prevailing in Quebec. In the former Province the pulpwood export industry, so far, is an offshoot of the lumbering industry, though, as in Quebec, a considerable amount of pulp is made for export. Roughly speaking, the forest area of New Brunswick still under control of the Crown is in the centre of the Province and comprises about 10,000 square miles of land. Of this the greater part, or, at any rate, all the best portion is under license. Black spruce is the predominating timber, and in most sections its reproduction, where ordinary precautions are taken, is fairly rapid. Except in a few instances where the spruce from various causes is of stunted growth and there are no other trees in quantity and quality enough to be of commercial value, pulpwood as distinct from any other kind of wood is not allowed to be cut on Crown lands. The regulations provide that nothing can be cut on Crown lands that will not make a log at least eighteen feet in length and ten inches at the small end. The effect of these regulations is that the total of the pulpwood proper and cordwood—no distinction being made between the two—cut on Crown lands for the year ending October last was 10,806 cords. The spruce logs cut for the use of the pulp mills are measured by the foot, and not by the cord.

No Waste in This.

In some cases the logs are made into deals for export or home consumption, the branches and other smaller portions of the trees being used for the making of pulp. The pulp and paper makers themselves claim that their methods are more economical and more in the interests of forest preservation than those of the lumberman. The latter, they say, simply takes from a tree just what will make logs for manufacture into timber of required sizes, leaving the branches and smaller portions lying around invitingly for forest fires. Moreover, the sawmills, they contend, add to this waste

by the rejection of considerable quantities of material, which is either burned or thrown away. On the contrary, the pulp and paper men say that they use almost every portion of the tree, leaving very little waste in the forests and practically none at the mills.

Complicated Trade.

New Brunswick deals have a steady market in Britain, some two-thirds of the output, it has been estimated, going to that country, and a large proportion of it being shipped direct on steamers loaded at the mills. Some pulp is also forwarded when the market warrants it, but this is not regarded as a steady line of trade owing to several conditions, one of which is that the United States, in the market of which Canadian pulp is practically barred owing to the duty against it, at times controls the British market with pulp made from Canadian wood.

Praise for Ontario's Fire-rangings.

As in Quebec and some portions of Ontario through which The Globe representative travelled, there is found a quickening interest in the question of forest preservation, a dread of fire and its destructiveness being particularly pronounced. Serious attention is being given to this matter. The Globe's representative heard many warm words of praise in New Brunswick for Ontario's system of fire-rangings and forest reserves, inaugurated by the Liberal Administration. One precaution taken by New Brunswick as a safeguard for their forest wealth seems worthy of emulation elsewhere. It is that of sending out with all railway construction parties a surveyor, who selects the site of a camp and whose orders as to the location of necessary fires, precautions against these spreading, their quenching when the camp moves on, etc., must be obeyed. The idea seems to have originated at the time of the Federal Government's decision to build the Transcontinental Railway, which crosses some sections of New Brunswick's forest lands. It has been put into effect with good results, and it is to be maintained.

In one respect New Brunswick is at

a disadvantage in comparison with Quebec and Ontario in regard to pulp and paper making, and that is in its lack of water powers, which are so bountiful in Quebec's pulpwood areas particularly. Of course New Brunswick is nearer to the great coalfields of Nova Scotia, and

in fact has coal in her own borders which is quite good enough for steam purposes, and is being used by the Intercolonial Railway and others. These fields are being developed rapidly and their output is finding a ready market.

[From The Globe of July 17th.]

ARTICLE NUMBER SIX

Before proceeding to give the interviews between representatives of The Globe and persons more or less directly interested in the question of the export of pulpwood from Canada, the matter of forest preservation might be emphasized. As stated in previous articles, this point came up again and again in the various interviews and conversations, not alone with men whose money and time are devoted to the lumbering, pulpwood and pulp industry, but with politicians, newspapermen and citizens generally. It does seem as though public opinion in Ontario, Quebec and New Brunswick is reaching that stage where this vastly important question could be taken up, not in an academic way, not in spasmodic experiments, but in a broad, intelligent manner, which would result in a systematic adoption of plans which shall make that abused and misused phrase "inexhaustible forest supplies" really mean something.

Mr. W. C. J. Hall, superintendent of the forestry protection branch of the Province of Quebec, emphasizes the necessity of forest reserves and the conducting of lumbering industry in such a manner as to make it a perpetual one, and in this connection pays particular attention to the protection of all forest lands against fire. "It would be well," he says on the latter point, "if the neighboring Provinces and States were to co-operate with us in the protection of forests. In an informal manner the rangers of the State of Maine have broached the subject."

The Question of the Moment.

Hon. Senator Edwards of Rockland, the head of W. C. Edwards & Co.,

lumber manufacturers, who have immense establishments at Ottawa and Rockland, regards this as the question of the moment. His views on the export question will be given with those of others. In respect to forestry, however, they are apropos here. "Let the Canadian people," says the Senator, "turn their eyes from the little bugaboo they are setting up because of the small, trifling amount of pulpwood that is being sold by our farmers and some small lumbermen from a fringe of our country, to the immensely larger and more important and truly national question of the preservation of our forests and the economic cutting of the same by our lumbermen."

"The Governments of our Provinces," he declared, when The Globe's representative interviewed him at Ottawa, "are pursuing a suicidal policy in regard to our forest resources. None of them are practical men, and the bulk of our lumbermen are unfortunately not patriotic; they have no thought for the future. The man who has a large limit and a large investment in a mill or mills is going to take care of his limit, the source of supply for his mill. He is not going to cut everything possible on it with a view to selling it for the sake of making a quick turn-over on his money."

A Perpetual Forest Crop.

For his part the Senator favored a policy of making all the forest lands available for operation, and their intelligent working under proper regulations and supervision, as distinct from the idea of some people that the plan to be adopted was the clearing off of the forests as rapidly as possible, with

a view to making room for settlement. There was no reason why under an intelligent system the forest crop of Canada, as it might be called, should not be everlasting. His company, he said, was going to build in the Gaspé district of the St. Lawrence a pulp and lumbering establishment where these ideas would be carried out to a still more scientific extent than was now the case on their limits. Under the direction of a forester of standing and experience it was intended to show that it would be practicable to keep the establishment going by simply cutting the annual forest growth.

Government at Work.

Mr. R. H. Campbell of the Dominion Government forestry branch took the same view of the importance of the forestry question. The conservation of water powers, the necessity of detailed knowledge as to the suitability or otherwise of lands for purely agricultural or purely forest purposes, and the awakening of the sections of the

country almost wholly devoted to agriculture to the loss sustained by the reckless destruction in bygone years of the wood lot were touched upon in The Globe representative's interesting conversation with Mr. Campbell. The Dominion Government, as stated in The Globe despatches from Ottawa, is engaged in an active campaign of tree propagation and tree preservation in the west, and is also surveying the forest reserves there, with preservation as the aim. A difficulty which has been encountered to a lesser degree by the Governments of this and other Provinces also faces the Dominion forestry branch—namely, the inability to keep trained men when they get them. The services of such men are being eagerly sought, not only by various Governments, universities and other educational institutions, but by many of the lumber companies. The campaign for the preservation of the forests and the examples afforded on every hand in every country of how not to do it is at last beginning to have an effect in Canada.

[From The Globe of July 19th.]

ARTICLE NUMBER SEVEN

Montreal.—Canadians generally know Sir William C. Van Horne best in connection with his railway enterprises. But this many-sided man has a live and practical interest in the pulpwood question. As President of the Laurentide Paper Company, whose establishment at Grand Mere, Que., has created a growing town where once only a village existed, he has devoted to the pulp and paper questions and their ramifications no inconsiderable portion of his time. He welcomed The Globe's representative who called on him with a request for an interview on these matters, and gave the best part of the day to a consideration and discussion of them. Sir William covered every phase from the viewpoint of his position as head of the company named, readily answering the almost numberless queries put to him, and giving in detail the reasons for his opinions. He was strong in his advocacy of the prohibi-

tion of the export of pulpwood, citing specific as well as general grounds for that attitude. His views follow in extenso, being given in that form rather than in question and answer form in order that their continuity may be better maintained. Those who have any interest in the question could not do better than accord them careful perusal:—

Sir Wm. Van Horne's Views.

First, let us consider the value of Canada's spruce forests; there are other kinds of timber, poplar, for instance, from which wood pulp suitable for paper may be made, but the supply of these is so limited and the sources so scattered that they need not be taken into account.

The great bulk of the paper consumed in the world is made from spruce wood. In the United States, the States of Minnesota, Wisconsin, Michigan, northern

New York, Vermont, New Hampshire and Maine at one time had what was regarded as an inexhaustible supply of this timber, but in Minnesota, Wisconsin and Michigan it has been almost entirely exhausted, and the Wisconsin paper mills are now compelled to draw even upon the Province of Quebec for their supply, which they have to carry more than 1,200 miles by rail, and which costs them at their mills about \$15 a cord. In the Adirondack region of New York considerable spruce timber remains, although the available supply for the pulp and paper mills has become exceedingly small because of the large amount of timber lands held by wealthy individuals as shooting preserves, the large park reservations which have been made by the State, and because of the extensive areas which have been destroyed by fires. The situation in Vermont is much the same, but that State has even less available spruce, and New Hampshire has no more than is necessary to meet the requirements of its own mills. The statistics of available spruce in the United States show a large amount remaining in the State of Maine, but south of a line drawn east and west across that State from the north end of Moosehead Lake extensive timber operations have been carried on for many years, and there is comparatively little spruce remaining. North of that line in the area containing the greater part of the standing spruce in the State of Maine the streams all flow into the St. John River, and the timber must either go out through Canada or railways must be built to it, and to reach all of the timber an impossible railway mileage would be required. Therefore, the available spruce supply of the United States is practically limited to southern Maine, to New Hampshire, Vermont and the Adirondack region of New York, and, failing supply of pulpwood from Canada, these districts would not afford sufficient spruce wood to keep the American mills going more than a few years—four or five years at the outside, and probably not more than three.

Canada's Competitors.

The world has only two other sources of supply, the Scandinavian and the Canadian. There is some spruce in Finland, and farther east in Russia, includ-

ing Siberia, but very little of this can be counted as available. Norway and Sweden have no "floatable" rivers, and the wood has to be brought down by railway. All Europe has been supplied from these sources for a long time back, and great inroads have been made upon the forests—so great that the stunted timber of the Lapland slope has now to be drawn upon. It is hardly necessary to point out Canada's enormous supply of spruce; I need only say that Canada's spruce, while quite equal to that of the northern United States for paper-making, is much superior to that of Norway and Sweden, for it affords a feathery pulp which mats well, while the Scandinavian spruce is not a true spruce, and affords what might be termed a more slivery pulp which makes a sheet too tender for the very fast running American machines such as are generally used on this side of the Atlantic.

Providing for the Future.

The paper manufacturers of the United States, in view of the rapid diminution of their home paper supply of pulpwood, have for a long time back been taking anxious steps towards providing for their future, and they have already acquired very extensive areas of timber lands in Canada, to which they are constantly adding, and they are wisely preserving the timber on these lands as well as their lands at home by buying in Canada through jobbers and brokers all the spruce wood they can get from other lands. The International Paper Company already owns in Canada, directly and indirectly, something like 3,000 square miles of spruce lands—mostly in the Province of Quebec. The Union Bag & Paper Company now owns in Canada, and mostly in the Province of Quebec, something more than 2,200 square miles, and about a year ago the last named company stated to its shareholders as the reason of a reduction in its dividends from 7 to 4 per cent. the necessity of acquiring large bodies of timber lands in Canada "on account of the rapid increase in the market price of pulpwood, and in view of the rapid disappearance of the spruce forests of this continent." These are precisely the same reasons which have actuated the International Paper Company—the company owning the greater part of the

large paper mills in the eastern and New England States—in securing all the Canadian timber lands it could get and in buying all the Canadian pulpwood within its reach.

Must Have Pulpwood or Shut Down.

Another important American holding in Canada is that of the Burgess Sulphite & Fibre Company and the Berlin Mills Company of Berlin, New Hampshire. I do not know the extent of the timber limits belonging to these companies, but it is large, and they have acquired the Lachute water power, on the St. Maurice River, for the purpose of a "rossing mill" for barking pulpwood to be shipped to the New Hampshire mills, the barking being done to save in freight charges. The Battle Island Sulphite & Fibre Company of Oswego, New York, also holds limits on the St. Lawrence, the extent of which I do not know. Many paper concerns in the United States, besides those I have mentioned, are buying Canadian pulpwood, ground pulp and sulphite fibre to eke out their supply. Without the Canadian supply of pulps and pulpwood many of the American mills would have to shut down very soon. If they cannot get our pulps or pulpwood they must eventually come to Canada to make paper, and every paper mill established in Canada means a town of from 5,000 to 15,000 people, and a great addition to the wealth of the country.

What Canada Would Gain.

To make clear what we have to gain I may say that at present prices a cord of pulpwood, exported as such, yields to Canada and all Canadian interests for cutting, handling, stumpage, transportation, etc., something less than \$6 at the outport. This same cord of pulpwood converted into pulp would yield at the outport \$19. The same cord converted into sulphite fibre would yield \$24, and the same cord converted into paper would yield \$37.80; in other words Canada would get more than six times as much out of her resources in spruce wood by converting it into paper at home, instead of letting it go to foreign paper mills. But Canada is letting her spruce wood go abroad without hindrance, and day by day one of her most valuable assets is

being depleted, leaving little more than tree stumps to show for it.

The paper production of Canada largely exceeds the home consumption. The Laurentide Paper Company at Grand Mere alone produces nearly twice as much newspaper as is consumed in the entire Dominion, but while the Laurentide mills are the largest in the country, there are many other extensive Canadian mills more or less dependent upon foreign markets, and since our paper is excluded from the United States by heavy duties, the only markets open to the Canadian papermakers are those of Great Britain, Australia and South Africa. These are, likewise, open to the mills of the United States, which, although finding an enormous and usually sufficient market at home, have occasion every few years to dump a large surplus into our only available markets.

American Advantages.

The United States get pulpwood in Canada as cheaply as we can. Their only disadvantage is in the difference in the freight they have to pay on this pulpwood from Canada to their mills, but they have advantages which more than offset this. They have a large advantage in the cost of coal, in the supply of skilled labor, in a usually adequate home market for their products, in lower ocean rates and lower marine insurance on their exports, and in many other things. They have, moreover, an advantage in the first cost of their machinery, in the cost of repairs and maintenance of machinery, and in the cost of their mill supplies, for nearly all of these things we are obliged to import from the United States and pay a heavy duty on them. The duties paid by the Laurentide Paper Company during the last two years amounted to about \$75,000, and the duties paid on its original plant were vastly more. It will readily be seen that with free Canadian pulpwood and with their other advantages, the American paper manufacturers are able, when it suits their purposes, to take away our foreign markets or spoil them, which they have frequently done in the past. Is it not unfair to the Canadian mills to leave them in such a position?

The Late Premier Hardy's Wisdom.

The stoppage of the export of pulp-

wood from Canada would at least result in the American mills having to buy ground and sulphite pulp from Canada, and at much higher prices than they are now paying for it, and would very soon compel the American owners of Canadian timber limits to come over here with their pulp mills, if not with their entire paper plants. We have an excellent illustration of the effect of such a restriction in the wise policy of the late Hon. Mr. Hardy in Ontario, which very quickly compelled the Michigan owners of Ontario timber limits to abandon their Michigan saw mills and build new ones on the Canadian side, and the mills so brought over are now in operation at Amherstburg, Sandwich, Sarnia and many places around Lake Huron and Georgian Bay, and all of the mills in Michigan which had depended upon Canadian logs have fallen into disuse, and I need hardly point out in this connection that one first-class paper mill is of much greater consequence to the country than a dozen saw mills, the results of the latter being of a more or less temporary nature. Mr. Hardy placed the same restriction upon pulpwood as upon sawlogs, and the result of that is also manifest in Ontario in important pulp and paper mills.

United States Dictates to Canada.

It might be well in this connection to recall the understanding under which Canada quite a number of years ago removed the export duty of \$1 per thousand feet on sawlogs in consideration of the reduction on the part of the United States of the duty on pine lumber from \$2 to \$1 per thousand feet. This was a most unfortunate arrangement for Canada, and resulted in the buying up of a large part of the timber limits north and east of Georgian Bay and Lake Huron by Michigan lumbermen and the closing up of a great number of the local Canadian mills. Later on during President Cleveland's administration the Wilson bill was enacted, under which pine lumber was admitted to the United States free of duty, of which we could not complain, but afterwards came the Dingley tariff, which restored the original duty of \$2 per thousand, and, lest Canada should resent this violation of the original understanding and impose an export duty on saw-

logs, the Dingley act provided that if any country or dependency—meaning Canada—should impose an export duty on sawlogs the amount of such export duty should be added to the duty provided for on lumber. The same act increased the duty on ground pulp, and to guard against the imposition of an export duty on pulpwood, in retaliation, a similar provision was made, and both these provisions stand in the United States tariff to-day. The United States Congress not only made its tariff to suit itself, but assumed to say what Canada should or should not do.

Would Not Affect Pulpwood Sellers.

Questioned as to the probable effect of the prohibition in some form, directly or indirectly, of the export of pulpwood upon the individuals who are selling pulpwood from their own lands, Sir William said:—I do not think it would have any ill-effect, because the Laurentide mills probably, would buy this pulpwood and pay for it at least as much as the individuals are now getting from the jobbers, and the inevitable and immediate increase in the demand for Canadian pulps would result in the working of every Canadian pulp mill to its fullest capacity and the enlargement of every one of them having the necessary waterpower, and all of the pulpwood available would be wanted at as good prices as now prevail or better; indeed, I believe that the individuals inside of two years would realize a great deal more from their pulpwood than at any time in the past. The Laurentide Company, although holding more than sixteen hundred square miles of timber limits, buys all the pulpwood it can get at present prices in order to save its own standing timber, and it attaches such an importance to its own timber preserves that it would be glad to discontinue cutting on its own limits and buy its entire supply from individuals if enough were available. I have already stated that the American owners of Canadian timber limits are doing this very thing to the greatest extent possible.

Timber as a Permanent Crop.

I should not dare to estimate the value of Canada's spruce timber ten

years hence if some policy were adopted by the Dominion or the Provincial Governments which would, directly or indirectly, prevent the export of raw wood. The American owners of Canadian limits estimate the possibilities as highly as I do. They do not hesitate to buy Canadian timber limits, because they know that in the event of the adoption in Canada generally of a policy like that of Mr. Hardy's in Ontario they would profit immensely from their timber holdings. I hold that this tremendously valuable asset should be preserved in every possible way; that the Provinces having timber should regard it as a permanent crop and apply well-considered regulations to the cutting from Crown lands, with a view to promoting the growth of the young timber and to the prevention of forest fires, and that the areas to be reserved for the growth of timber should be carefully marked out and withdrawn from settlement. This would leave an abundance of land available for settlement for a long time to come in all of the timbered districts, for there are everywhere areas which have been either burnt over or cut so clean as to leave no hope of a new growth.

In the Province of Quebec, and perhaps this is true of other Provinces, a real or pretending settler may take up land for farming purposes in any timber limit, and in such a case the owner of the license is given one year within which to cut such timber as the law permits to be cut from Crown lands, after which the settler may cut the rest. There is reason to believe that in the Province of Quebec, if not elsewhere, lands have been so taken by pretending settlers at the instance of jobbers in logs

or pulpwood, the settler abandoning the land as soon as he has cut all that he finds worth cutting.

No Danger of Retaliation.

I do not think there would be any danger of retaliation on the part of the United States in the event of some such policy as I have outlined being carried out. I can see no possible ground for retaliation on the part of the United States in view of the precedents which they have themselves already established, and I can think of no form of retaliation that would not be much more damaging to themselves than to us, and they are not given to foolishness of that kind. So far as tariffs go, I do not see that they could make them worse, for the Dingley tariff, which is still in force, was framed for the purpose of excluding everything from Canada which the United States did not need, such as lumber, pulpwood, ground and sulphite pulp, nickel, ore, gold and silver ores and turnips, and I do not see that they can make their tariff worse for us now. Moreover, Canada is becoming too big a customer to be lightly treated. For the ten years ending June 30th last the exports from the United States to Canada increased from about \$60,000,000 to more than \$160,000,000, and Canada is, therefore, a more important customer for the products and manufactures of the United States than Mexico, the West Indies, and all Central and South America together. It is interesting to note in this connection that this enormous increase occurred in the face of Canada's preferential tariff in favor of Great Britain, which prevailed during the last eight of these ten years.

[From The Globe of July 20th.]

ARTICLE NUMBER EIGHT

Montreal.—In the Province of Quebec no man knows more about the pulp and paper industries, particularly as well as generally, than does Mr. John MacFarlane of the St. Raymond Paper Company. He brings to bear on the subject the advantage of long years of practical experience in the manufacture of pulp and paper, and the close study

of all the conditions affecting the industries here and in the United States. For many years he has advocated an export duty on pulpwood, sometimes he has been almost alone in this stand. However, he and a few others who were once regarded as rather peculiar on account of their views on this subject have lived long enough to see the growth of

what on the surface, at any rate, is a rapidly expanding opinion in favor of their arguments. Whether that opinion is to result in definite action on the part of the Federal Government in the near future is, of course, another matter.

Quebec is Losing Money.

Mr. MacFarlane, who was found by The Globe representative in his office in the Board of Trade building, at once accorded an interview. He had, he said, always advocated an export duty, for the reason that it would then apply all over the Dominion and overcome the difficulty in the various Provinces in respect to pulpwood cut on and sold from private lands. The export duty should be about the amount of the American import duty on pulp. By that means when they wanted to come to terms Canada would have something to exchange. "Just now," he said, "we give them all the advantages and they make us no return. The American imports of pulpwood from the Province of Quebec alone in one form or another will this year, I estimate, be about 750,000 to 1,000,000 cords. They are supposed to pay stumpage dues of 65 cents a cord on pulpwood cut on Crown lands, being 25 cents a cord more than if the pulpwood was manufactured into pulp or paper in this Province. But a considerable proportion of their pulpwood goes over from private lands, or from mixed private and Government lands, and on the former they do not pay stumpage. Moreover, there is reasonable ground for believing that a fair proportion of that on which stumpage ought to be paid is mixed up and passed as coming from private lands. Some is also undoubtedly mixed with cordwood, which only pays a stumpage of about ten cents, so that the Province does not even average the 65 cents a cord stumpage, which should be collected from pulpwood cut on Crown lands."

Protecting Provincial Interests.

To a question as to the opposition of the Quebec politicians to a Federal export duty Mr. MacFarlane said that their attitude was that there would be too great a sacrifice of Provincial to Federal interests. That, he thought, could easily be avoided by an arrangement whereby the Provincial Govern-

ments would be credited with the export duty on the respective amounts of pulpwood shipped from each Province less the cost of collecting the duty. "If that were done," added Mr. MacFarlane, "the Province of Quebec would in my opinion realize a very much larger amount of revenue from pulpwood going out of the Province than is the case under the present system, even if the export duty was only a comparatively small one."

While he did not desire to emphasize the point, Mr. MacFarlane thought the papermakers of Canada had a grievance in respect to the manner in which on every occasion when American papermakers had an overplus of production it is shipped to Britain and delivered to consumers there at a lower price than they sold it in the United States. Canadians being practically barred from the American market for the sale of pulp naturally looked to Britain, where about 500,000 tons of ground pulp was used annually. But the English papermakers, although favorable to Canada, were unable to pay a higher price for Canadian pulp than would permit them to make and sell paper at a price to meet that of the American surplus.

Must Depend on Canada.

Mr. MacFarlane was of the opinion that the Americans were very nearly reaching the time when they would be absolutely dependent upon Canada for the largest proportion of their pulpwood. The demand in their own country for paper was also reaching that stage when they would not be able to ship much abroad, so that this phase of the question was likely soon to readjust itself satisfactorily.

As to the argument that the interests of the Quebec farmers would be affected by an export duty, he thought that class of the community would certainly have a grievance if conditions were made such as to prevent them selling the pulpwood on their lands. For that reason he would advocate only such an export duty as the Americans could and would be quite willing to pay. They would then continue to come to this country to purchase their supplies. This, he thought, would meet the argument that one effect of a duty would be to restrict the farmer's market and lower the prices received by him.

Increase in Consumption of Paper.

Mr. MacFarlane's estimate of pulpwood areas held by the Americans in the Province of Quebec was 12,000 square miles. "Most of these are at or in close touch with the best shipping points," he said, "and nearly all were obtained from the Government." The average increase in the consumption of paper in the United States for the past five years was fourteen per cent. per annum, and that, applied to news, print and pamphlet, would

this year be equal to an increase of 500 tons per day over 1906. That would be equivalent to the output of ten new companies making fifty tons a day, or the increasing of the output of the existing companies to that extent. "There are," he said, finally, "about 1,200 paper mills in the United States, and out of that number there are certainly not 300 who have any source of wood supply of their own. The others have to obtain it somewhere, and most of them are looking to Canada."

[Globe Editorial July 20th.]

TWO AUTHORITIES ON PULPWOOD

Our staff correspondent in his articles on the supply of pulpwood has given to the public admirable summaries of the views of two prominent manufacturers: Senator Edwards of Rockland and Sir William Van Horne of Montreal. Each of these exceptionally able men has the faculty of putting his views so clearly that there is no excuse for misunderstanding them, and their statements are all the more instructive because, while they agree in part, they also to some extent disagree. Each has manifestly acquired his knowledge from practical experience, and has formed his opinions independently of extraneous influences.

The obviously outstanding necessity of the present Canadian situation, in the opinion of both Sir William Van Horne and Senator Edwards, is that of spruce forest conservation. The spruce supply of the United States would be completely exhausted in half a dozen years if the manufacturers and users of paper had to depend on it alone. They are now obtaining large quantities of logs from Canada at great expense, and are thus rapidly depleting our pulp supplies. A certain amount of forest is devastated every year by fire. Our own manufacturers consume a large amount of pulp that is made into paper for use in Canada and a much larger amount for exportation to other countries. The supply at present available is enormous, but the consumption of paper is rapidly increasing, while the supply of wood is rapidly diminishing. It is only a ques-

tion of time when these two movements will result in a very inconvenient, if not disastrous, scarcity unless the advice of Sir William, Senator Edwards, and other expert observers is followed, not merely by Canadian owners of pulpwood timber, but by American owners, who are usually and not unnaturally more reckless in stripping the timber off their land.

Sir William Van Horne is a firm believer in the imposition of an export duty on pulpwood, and it is impossible to study his statement of the case without feeling constrained to admit that he has put up a strong argument. When the question comes to be dealt with in Parliament, where it will eventually be decided, the facts and inferences he has embodied in his statement will form part of the ground on which the decision will have to be made. The automatic increase of the import duty on pulpwood going into the United States, as a consequence of the imposition of an export duty by Canada, has no terrors for Sir William. This country is in a position to do some retaliating on its own account, and if there is to be a war of tariffs it is not without effective weapons. One of these is the preferential tariff. Under its operation Canadian imports from the United States have grown from sixty to a hundred and sixty million dollars, but if the discrimination against that country were doubled the volume of trade would be greatly affected for the worse. There is

no desire on this side for such a conflict, but the Parliament of Canada is not likely to submit to foreign dictation as to its fiscal policy. Meanwhile it will

be an act of wisdom on the part of all concerned to procure as speedily as possible absolutely trustworthy information on the subject.

[From The Globe of July 25th.]

ARTICLE NUMBER NINE

Montreal.—Of course it is inevitable that in such an inquiry as that now being conducted by The Globe the representatives of the paper will meet with men who, while quite willing to talk, object to their names being published. This does not imply lack of bona fides, but for a variety of reasons, political, business or otherwise, some men are averse to the public use of their names in such a discussion. Such a one The Globe found within a short time of having interviewed Mr. MacFarlane. He did not ask, as one or two people did, why The Globe wanted his views; what was the reason for The Globe taking up the question; did the representative come down from Toronto for this inquiry and for no other purpose; who else had he seen, and who else was he going to see? On the contrary, the gentleman in question took it for granted that The Globe was making the investigation because it wanted to, and that the assurance that his views would be given because he was at some pains to make them clear, even though he would not allow his name to be used, was correct. And here are the views:—

Opposed to an Export Duty.

"We are selling pulpwood at \$8 per cord, rossed. It is for export, and is all sold to Americans. The price mentioned figures out to about the same price as lumber, but we have this advantage: that what we sell for pulpwood is culled wood; it will not make lumber of good value, and we are glad to get rid of it at the price stated.

"The only result of an exportation duty on pulpwood would be to put the prices up on Americans in certain sections of the United States, because they must have the wood if they are to keep their mills going. But in a number of districts in that country whence the

demand for pulpwood comes I am sure they have all they need in their own forests, but they are conserving it, and getting what they can from Canada in the meantime. The idea that an export duty would encourage the establishment by Americans of mills in this country does not appeal to me as a very strong one. There are not many places—in Quebec, at any rate—where there are now suitable water-powers for pulp and paper mills. Most of these water-powers have been sold.

"One effect of putting an export duty on pulpwood," he continued, "might be to cause the Americans to take off the duty on pulp going into their country, but this is not certain."

High Prices to Continue.

The speaker thought that the high prices would continue both for lumber and pulpwood. The fact was, he said, that the Americans, as well as Canadians, were beginning to use spruce in great quantities for building operations, the poorer logs being made into pulp. It was to the advantage of the lumberman, speaking from that standpoint solely, to have the opening afforded by such a double market, so to speak.

Finally, in answer to other queries, he said:—"I consider that, no matter how it is figured out; we pay the duty. Prices here are regulated by the United States market. In the past a lot of pulpwood has been sold to the Americans at cost and less than cost price. That time has gone, I think. They are paying excellent prices; we might as well take advantage of that instead of adopting any course which might lead to the cutting off of the trade altogether."

A Newspaperman's View.

Mr. L. J. Tarte of La Patrie, a newspaperman of considerable experience,

and who during the indisposition of his father has complete charge of the paper mentioned, evinced keen interest in the subject. He has different views from the gentleman quoted in the foregoing. "From a national standpoint," he declared, "there should be an export duty on pulpwood; for the Province of Quebec in particular the laws relating to the lumbering industry should be amended. You certainly have better laws in Ontario in this respect than we have. There is no doubt that the Province of Quebec is losing a large revenue owing to the present condition of the laws affecting the industry mentioned, but as a matter of fact I think that the Government is seriously considering the betterment of the laws.

"If a duty was put on," he said, in answer to a query from The Globe's representative, "and the papermakers took advantage of the position, it would then be time to do as the newspapermen did on a prior occasion—appeal to the Dominion Government for justice. Everybody still remembers the manner in which Mr. Aylesworth, now Minister of Justice, represented the group of newspapermen that had taken action. It was

proved beyond a shadow of a doubt that at that time there was a combine of the paper mills, but in the last few years I am glad that big consumers of paper on a large scale have had an opportunity of competition in giving paper contracts. There is this qualification, however: in the last few months I understand that the paper mills have refused to quote anything less than two cents per pound for newspaper print, but I presume that paper could be bought at better prices than that in certain cases.

Government Should Decide Soon.

"To-day I am positive of this: that some pulpwood from this Province is exported across the line, made into paper which is shipped to the British market, coming into competition with the product of our Canadian mills." Mr. Tarte reiterated his opinion as to the necessity of an export duty. "I think," he said, "that the Government should come to a decision as soon as possible, and force the Americans to at least manufacture pulp here. There would in that case be so much more money left in the country with the Canadian workman for Canadian industry."

[From The Globe of July 26th.]

ARTICLE NUMBER TEN

Montreal.—One effect of the American demand for pulpwood from the Province of Quebec is the development of buying by American agents direct instead of through the Canadian jobber. This is beginning to assume quite large proportions, and some jobbers are commencing to feel that they will soon have to engage in other businesses if they want to make a living. This matter will be dealt with in greater detail in subsequent articles, but it is one of the phases of the pulpwood problem which is tending toward the making of a strong opinion against the exportation of pulpwood from this Province. Indeed, in this particular the Americans are overreaching themselves and are furnishing weapons which will be used against them when the gathering forces of those who want to see the

raw material manufactured into pulp in Canada are marshalled for battle.

American Demand for Paper.

In continuing the inquiry The Globe's representative was continually informed that from all parts of the United States letters and telegrams are being received from large consumers of paper, asking for Canadian prices and the ability of the firms communicated with to furnish required amounts on specified dates. It does strike the inquirer that, in the event of an export duty or the total prohibition of the export of pulpwood, influence enough would be exercised on the other side of the boundary to bring about the abolition by the United States Government of the duty on paper. In other words, if one might be allowed to use the phrase, a prohibitory club

would result in the United States knocking down the fence erected with a view to keeping Canadian-made paper out of their market. The foregoing is simply a preliminary to saying that, as The Globe's investigation progresses, the evidences of feeling that something should be done to bring about a condition under which Canadian pulpwood should be manufactured in this country multiply, although, as has been frequently stated in previous articles, opinions differ as to the manner of attaining the desired result.

A National Question.

Mr. Wm. Cauldwell of the Canada Paper Company, which has a large plant at Windsor Mills, put it in this way:—"I believe in each Province controlling its own interests in everything pertaining to the Province. But when any question arises that affects the whole country then it is time for the Dominion Government to take action. The question of the exportation of pulpwood from this country has grown to be a very serious one, and in the interests of Canada generally something should be done to put a stop to it, the manufacture of the raw materials within our own borders taking the place of this continued draining of our natural resources. With the facilities we have in this country, the fine water-powers and the abundance of wood, there is no reason why the raw material should not be utilized here and shipped out of the country in the shape of paper." If the export of the raw material was continued, Mr. Cauldwell thought it would, in addition to the drawbacks and disadvantages touched upon by others who were interviewed, have the effect of deterring people who otherwise would do so from coming here to invest their money in paper-making enterprises.

Wants the Export Prohibited.

Mr. F. Howard Wilson of the J. C. Wilson Company, which has a pulp mill at St. Jerome and a paper mill at Lachute, did not agree with the view, quoted in a previous article, that the best available water-powers had all been taken up. If there were any held purely with a view to speculation he thought that they could

be obtained at reasonable prices. People who did not want to use it for themselves would not be likely to keep a water-power for any great length of time unless it was apparent beyond all doubt that in a comparatively short time its value was to be enormously increased by one or a number of circumstances. Mr. Wilson did not favor an export duty unless it was high enough to be prohibitive. He favored rather the absolute prohibition of the export of the raw material which is in such demand by the pulp and paper makers of the United States. "In taking that view," he said, "I am expressing no selfish opinion. As a matter of fact, it would be in a sense against our own interests, because it would undoubtedly result in the establishment of American mills on this side, and there would be that much additional competition for us."

He was decidedly of opinion that there was a serious shortage of pulpwood in the United States, and that the demand for pulpwood from Canada would continue to increase. Of course, Americans who had limits in this country as well as their own would save the latter and take all that they could from the former. That was natural, and he looked for some rapid cutting on a number of limits so held here.

Canada Would Have an Advantage.

He confirmed the statements of the demand, and inquiries from all parts of the United States for paper made in Canada, referring specifically to a number of letters and telegrams he had received the very day that he was interviewed on behalf of The Globe. There was, he said, a large amount of paper being shipped into the United States from this country in spite of the duty of ten per cent. against the Canadian product, and he regarded this as another indication of the advantage this country would have in any dealing with the question of manufacturing paper in this country rather than allowing the pulpwood to go out with no more in the way of manufacturing done to it than the barking. Prohibition of export might be prejudicial to the interests of the farmers and settlers at the start, but matters would quickly adjust themselves. At the present time the Americans were scouring the country for

pulpwood. The prices were consequently high, and there might be a drop for a while in the case of a high duty or total prohibition, but this was a question which he thought would soon bring about its own solution.

Suggests Action by Provinces.

Mr. James S. Brierly, Managing Director of The Montreal Herald, who has been taking an interest in the question, said:—"The yearly increasing demand by the United States for our pulpwood indicates that the United States is either conserving its own supply or is absolutely in need of the Canadian product. In either case it does not appear to be the part of wisdom for us to continue a policy which has the effect of building up manufacturing centres in the United States, if by changing that policy these centres

could be developed in Canada. Many serious objections might be urged to an export duty, not the least of which might be the danger of retaliation. But it should not be a difficult matter for the various Provinces to so arrange their regulations and the stumpage fees on Crown lands as to produce the desired result, so far as the wood cut on this land is concerned. By giving a substantial drawback when the wood is manufactured into pulp in Canada the exportation of the raw material would be practically stopped, so far as Crown lands are concerned. As regards the wood cut on lands held in fee simple the exportation would not be interfered with, and thus the settler depending on his pulpwood for a considerable portion of his revenue would not have cause to feel that legislation on the subject was injurious to him."

[From The Globe of July 27th.]

ARTICLE NUMBER ELEVEN

Grand Mere, Que.—This town affords perhaps the most striking example to be found in Canada of what a pulp and paper making establishment does toward the building up of the locality in which it is situated. Here are located the fine works of the Laurentide Paper Company, which have a splendid site on the banks of the St. Maurice River, at the Grand Mere Falls. The situation of the town and the works and the scenery of the surrounding country are so picturesque as to at once arrest the attention from any approach, and The Globe's inquirer almost forgot in their contemplation that the mission he was on meant the getting down to such sordid things as facts.

The Laurentide Paper Company is the industry around which Grand Mere has grown from a sleepy village to a thriving town, and on which it mainly relies for its future prosperity and progress. At the works The Globe's representative had an interview with Mr. George Chahoon, jun., the Vice-President and Manager of the company, who knows the pulpwood, pulp and paper situation in Canada and the United States from A to

Z. He is a shrewd American, a young, pleasant-faced and pleasant-mannered man, slow of speech, quick of action and untiring in work. When the Tariff Commission sat at Three Rivers, prior to the last revision of the tariff, Mr. Chahoon, on behalf of the company, read a memorandum, in which he advanced arguments in support of the prohibition of the export of pulpwood that are still considered by many who favor that view as being the best presentation of the case ever made. It is not intended to repeat those arguments here in detail, because some of them have been given, in effect, in the published interview with Sir William Van Horne, the President of the company, and others have been more or less touched upon in the various articles which have already appeared in print.

Some Interesting Comparisons.

Some of Mr. Chahoon's views, opinions and statistics, as given personally to The Globe's inquirer, are, however, worthy of repetition. He is an uncompromising advocate of the prohibition of the export of pulpwood, and is well

enough acquainted with the pulp-making sections of those States of the republic now getting pulpwood from this country to assert that many of them are in need of and must have Canadian pulpwood or get out of the business. Although in some of the States it is costing them as much as \$14 per cord for their wood, they do not consider that it has yet reached the price where they can afford to go in for reforestry, at least on a large scale, and in spite of the evidences of depletion before them they are still lacking in systematic, aggressive methods in this connection. On the limits held by the Laurentide Company, however, no mistake is being made in dealing with the resources. It has been claimed more than once that the Laurentide Company will, if its present plans are followed, have a supply of pulpwood for its mills for all time to come. These plans seem to be simply scientific cutting under the directions of trained and experienced men. There is no such thing with them as cleaning off everything that could be used, and as a consequence the young growth has the chance that it ought to have, so that a perpetuity of crop is assured. In addition the company buys from the farmers or settlers all the pulpwood it can get. In this connection Mr. Chahoon was very emphatic in his assertion that any restriction of the market for the class of people named, in the event of the stopping of the export of pulpwood, would be only temporary. The demand for Canadian pulpwood would soon be as heavy as it is at the present time, and new Canadian companies for the manufacture of pulp and paper would be formed, in addition to the American concerns that would eventually locate on this side of the border. As a matter of fact, he thought that the Canadian mills would be almost willing to guarantee that they would be ready to purchase from the farmers and settlers all the pulpwood they had to sell, at prices equal to those they were now getting. The Laurentide Company certainly was always glad to buy all that it could, because by that means it aided in the conservation of its own limits.

Some Comparisons of Interest.

On the present basis the company was using about 100,000 cords of wood per

year. Last year, he said, about 600,000 cords of pulpwood were exported from the Province of Quebec, and the total revenue to Canada therefrom, including transportation charges, was some \$3,000,000 odd. The Laurentide Company used something like 90,000 cords during that year, and the value of its finished output was \$2,500,000, or nearly as much as the value of the whole of the export trade from the Province. In mere figures alone, this comparison, the inquirer thought, was astonishing enough to be emphasized, but when one takes into consideration what it means in the way of employment, wages and the general contribution to the upbuilding of the country, as well as the amounts earned by the transportation agencies for the carriage of the finished product to the various markets, they are the cause of still greater wonder.

The company, as was pointed out in Sir William Van Horne's interview, makes some 52,000 tons of roll newspaper per year, while the total consumption of that product in Canada is only 27,000 tons. Outside markets, therefore, have to be found for it. That of the United States is practically barred owing to the duty, and Mr. Chahoon commented, as others have done, on the anomalous position of Canada furnishing to the United States the raw material for the manufacture of a product which, when manufactured in this country, is largely shut out of the United States market. The United States, he said, according to the latest figures available, manufactured 3,000 tons of newspaper a day for 310 days in the year, or 930,000 tons per annum. Their increase in the consumption was about 10 per cent., and in Canada at the present time it was something like 12½ per cent. There seems to be no reason why Canada should not practically control the whole of the paper trade in both countries. She has the natural resources. Their proper use and the aid of wisely-framed legislation would help bring about such a result.

Grand Mere and Batiscan.

Reverting again to the manner in which such an establishment as the Laurentide Company builds up a community, Mr. Chahoon compared Grand

Mere with the village of Batiscan, the latter a pulpwood shipping point. Ten years ago each boasted of a population of about 300. To-day Grand Mere is a town of 5,000 people, and Batiscan is still a village of 300 odd, still engaged in shipping pulpwood to the United States, none of it being manufactured in the village. The International Paper Company, which has large limits on the St. Lawrence, shipped from Batiscan last year for its mills in the United States about as much pulpwood as was used by the Laurentide Paper Company. The latter

used the raw material, and carried, as it does generally, an average pay roll of 800 hands. As The Globe's inquirer left the works and went back to the train he could not help but think of a definition he once heard of the American idea of free trade. It ran something like this:—"The Americans will take as a gift, beg, borrow or steal all the raw material they can get from any other country, and use it to beat that country out in the world's market, secure themselves in the protection of a tariff wall strewn along the top with broken glass, barbed-wire and sharp nails."

[From The Globe of July 30th.]

ARTICLE NUMBER TWELVE

Quebec.—At Quebec the complaints regarding the operations of the "settler" to which reference was made at some length in the preliminary articles in connection with The Globe's inquiry into pulpwood and its problems were bitter. The limit holders and lumbermen who are the victims of these operations were quite frank in relation to them, and their side of the case certainly seems to be a strong one. Mr. Walter J. Ray of Price Bros. & Company, manufacturers of lumber, pulpwood, shingles, etc., with mills at Batiscan, St. Thomas, Cape St. Ignace, Rimouski, Matane, Amqui and Jonquières, spoke particularly of this in his interview. At the outset Mr. Ray stated that the company favored an export duty so high that it would be prohibitive, or else an out-and-out prohibition of the export of pulpwood without further ado. The company, he said, were the largest limit holders in the Province of Quebec, having some 6,000 square miles of timber lands. Under the present system of dealing with Crown lands the forests were being ruined. "In the past," he said, "we have not cut any small trees, but now the speculator in pulpwood, under the guise of settlement, comes in and cuts all the small timber, with the result that we cannot go back to those sections again; they are ruined for good. We have been able in the past to go back in ten or fifteen years to cut over sections and take out a fresh crop of logs, owing to our

careful system of selection for cutting, but this, as I have said, is being made impossible by the so-called settler. He goes in, cuts off everything practically, and it is all shipped and sold to Americans."

In the Lake St. John district, where, he said, the greater part of the land was unfit for cultivation, but where the timber would have yielded a revenue to the country for the next one hundred years with proper management, a few "settlers" had been allowed to go into the country, cut off some of the timber and burn down the rest. There were not half a dozen farmers residing in thirty or forty miles of territory.

The Americans, Mr. Ray said, had to have Canadian pulpwood; there was no shadow of a doubt about that. Prohibition of the export either by a high duty or a law would not mean any suffering for the farmer and "settler," or others who had pulpwood on private lands. The demand in Canada would soon be such that any derangement of the present home market would be adjusted in a comparatively short time. It did not seem right to him that Canada should be freely furnishing the raw material to the Americans to manufacture goods which later came into competition with Canadian-made manufactures in the markets of the world.

Mr. Power Would Export.

Mr. Wm. Power of the W. & J. Snarples Company, exporters of sawn

lumber, while he had no personal objections to a duty, did not think it would be fair to the farmers and small holders of private lands who had pulpwood to sell. "I think," he said, "that it would result in their getting a lower price for their pulpwood for some years to come, principally because there are not enough mills in Canada to use the supply at the present time, and the building of pulp and paper mills is a slow and costly matter. There is now, what with the home demand and that from the United States, a good market for pulpwood. For this season alone there is a large quantity of pulpwood going as far as from Quebec Province to Wisconsin. The jobbers who are competing with the farmers for this and other quantities for export are making the prices good." So far as the trouble with the settlers is concerned, the Government, Mr. Power

said, were trying to stop the depredations of the settler who was a settler in name only, and he thought that they deserved a good deal of credit for their efforts to cope with a matter that certainly was a hardship to the limit-holder.

Opposed to a Duty.

Mr. S. S. Bennett of Bennett & Co. was curt and emphatic. He was busy, could not spare the time for an interview at length, and could not make an appointment for one. The Globe's representative, however, managed to get in a question as to whether Mr. Bennett favored or opposed the idea of an export duty on pulpwood. "I do not favor an export duty on pulpwood," was Mr. Bennett's answer as he disappeared into his private office.

[From The Globe of August 1st.]

ARTICLE NUMBER THIRTEEN

Quebec.—At the Provincial Parliament buildings The Globe's representative found, as was to be expected in a Province where the industry has reached the proportions outlined in previous articles, that considerable interest was being taken in the pulpwood problem, apart from the fact that the Crown Lands Department is dealing with the matter as a question of business every day. Signs are not wanting to indicate that in the near future the question is likely to be brought more prominently before the general public than is now the case, but that is a matter which it is not intended to touch upon here. Naturally the investigator sought an interview with Hon. Adelard Turgeon, Minister of Lands and Forests, to whose foresight and realization of the importance of forest preservation and waterflow maintenance the Province owes the establishment of forests reserves, as distinguished from parks and game preserves. The interview, which was readily accorded, will remain as one of

the pleasant memories of the trip in search of information for The Globe. There is a charm about the French-Canadian, whether he is in a public or commanding business position, or whether he is simply a farmer or artisan, that makes intercourse with him a memory to be cherished. And here, lest it has not been said before, it might be well to make it plain that The Globe's inquiry had nothing to do with politics. All who could and would talk on the subject were interviewed, as far as the time at the disposal of the investigator allowed, and in no single case was any person interviewed asked as to his political faith, nor were his opinions sought on that score.

To return to Hon. Mr. Turgeon. After the usual exchange of courtesies The Globe's representative opened the interview by bluntly asking the Minister of Lands and Forests if he favored an export duty on pulpwood. Other questions affiliated therewith were also put, and the talk eventually covered a fairly wide range.

For the Dominion Government.

However, on the question immediately under consideration Hon. Mr. Turgeon said:—"It is a hard question to deal with, and there are many grave difficulties in the way of a settlement. As Minister of Lands and Forests, and speaking solely from the point of view of my interest, because of that position, in the forests of the Province, I think it would be a great boon for the public domain if the Federal Government put an export duty on pulpwood. On several occasions people have come to this Government and asked why we did not put on an export duty or why we should not put a big tax on pulpwood cut for export. We have had to point out to them that in the first place we have no power to enact an export duty, and that in the second place the Provincial tax on pulpwood cut for export applies only to Crown lands. There is no authority vested in the Government to make it apply to private lands, and it is in effect a discrimination against those cutting on Crown lands." At the present time, he pointed out, as previously stated in these articles, pulpwood cut on Crown lands for export pays dues of 65 cents per cord, as against only 40 cents per cord for that cut on private lands. It did not seem fair or right that there should be any greater discrimination. But an export duty would apply equally to all, hence the matter seemed to him to be one with which the Federal Government should deal. He recalled that in 1900 the dues on pulpwood cut on Crown lands were fixed at \$1.90 per cord, with a reduction of \$1.50 per cord when the wood was manufactured in the Province. This caused such a storm of protest from many quarters that it was soon rescinded.

Might Affect Farmers.

In the counties of Stanstead, Sherbrooke, Niclet, part of Compton, Missisquoi and other adjacent counties, Mr. Turgeon said, there was still a considerable quantity of pulpwood on the lands held by the farmers and other private owners, and an export duty might injuriously affect

their sales and the prices they would obtain. This was a matter to which serious consideration would have to be given in any proposition looking toward an export duty, as many of these people sold to Americans for good prices, and their interests would have to be as carefully safeguarded as those of the large limit-holders. "It might be, too," he continued, "that the Americans would retaliate. At the present time there is a duty on our pulp going into the United States of, roughly, \$2 per ton; \$1.90, I think, is the exact figure. The President of the United States is authorized by law to put on an additional duty of \$2 a ton if the circumstances arise, and I know that some of our pulp-makers and pulpwood dealers are afraid of this retaliation. After all, the American market is the best for our pulpwood and pulp. We cannot hope to compete in England with the Scandinavian supplies, because of the immense geographical and freight rate advantages the Scandinavian countries have."

Later a reference was made to the question of forest reserve and forest reservation. The reserves in Quebec are situated on both shores of the St. Lawrence, and they are growing in extent from year to year. On June 30 last the official reports show reserves aggregating 116,701 square miles. This is a subject which, as intimated in the introductory remarks to this article, Hon. Mr. Turgeon regards with the seriousness its importance warrants, and there is no doubt that the foundation he is now laying in this respect will be a source of strength to the Province in years to come.

The Speculating Settler.

Hon. Mr. Turgeon was asked as to the complaints of the lumbermen regarding "settlers," so-called, locating on their limits, cutting off the timber thereon and then moving away on the plea that the land was not fit for agriculture. He admitted that in a number of instances there was room for the complaints, but pointed out that the department was doing its best to meet the trouble, particularly by having proper inspections of townships, trying to de-

side as far as possible as to what land was suitable for cultivation, and taking pains to be certain of the bona fides of the settler before allowing him to locate on a limit under license. On this point he makes some very interesting observations in the last annual report available (that of 1906), bearing out pretty fully what has been stated in these articles as to the method of the 'settler.' He says, in part:—

"Further, at the period of the year 1906 which we have now reached, the application for the preparation of letters patent goes on ever increasing. So much is this the case that it seems to be not entirely normal and leads us to suspect some deceptions in the connection, for it must be conceded that it does not cost very high to buy a lot;

to clear ten acres of it and place them in a more or less rudimentary state of cultivation; to erect a dwelling and buildings of very small dimensions, and to occupy the whole during a few months, when the object in view is to secure a complete title, which renders one owner of everything and master to cut or sell the timber remaining on ninety acres of forest; this cut being worth hundreds and often even thousands of dollars to the purchaser or the merchant to whom it is transferred.

"In the course of their investigations our inspectors too frequently come across cases in which the permanent agricultural settlement upon which we rely has been abandoned, and which has become merely a temporary centre of second-hand lumbering."

[From The Globe of August 6th.]

ARTICLE NUMBER FOURTEEN

Quebec.—Mr. A. J. Auger, of Auger & Son, is a representative type of the pulpwood jobber, the man who does not own a limit, but who buys and sells pulpwood chiefly for export to the United States. He has been in the business for many years, is a man of excellent standing and one whose business and personal integrity is high. Mr. Auger speaks English with a marked accent, but manages to make himself well understood and is quite frank in his discussion of public questions. Like many who are generally referred to in Ontario as "French-Canadians," Mr. Auger deprecates the phrase. "We are Canadians," he said, "the same as you in Ontario. More so, perhaps," with a smile, "inasmuch as we were here before the English-speaking people began to arrive." He is numbered among those who oppose an export duty on pulpwood, and yet, recently, at any rate, who are beginning to feel that the Americans are not playing a fair game, and that the situation presents some difficult phases.

"We do not own any limits," he said in the course of his interview. "We buy most of our pulpwood from the farm-

ers. I believe I was the first man to ship pulpwood to the United States. That was away back in the eighties. At that time there was only one mill in the United States using pulpwood; it was located at Providence, R.I., and I sent them pulpwood.

"The Americans now are going direct to the farmers and are not buying through the Canadian middleman as they used to do. This has had the result of aiding in the sharp advance of the prices. It is a development of the desire of the Americans to handle the whole business themselves as far as they possibly can. They not only want our raw material, but they want to buy it themselves, carry it on their own barges and boats, and make it into pulp and paper at their mills.

"I am, however, opposed to an export duty on pulpwood, because I think it would have no other effect than the bringing about of an increase in the prices, and there certainly would, in my opinion, be an injustice to the farmer, as well as to many limit holders who have no mills, if the export was entirely prohibited. It will be a long time before we have in Canada enough mills to use

all the pulpwood now being cut. The building of pulp and paper mills requires lots of money and time, and even if the Americans were forced by legislation passed in Canada to come here and build mills it would be a number of years before they could be ready for operations. Besides, many of them would not come. If forced to it they could undoubtedly find considerable raw material in their own country for some years hence. If they could not some of them would go out of business altogether rather than duplicate their plants here. Eventually, as the supplies nearest them are cut, we may find some of them of their own accord establishing mills in Canada.

Canadians Should Wake Up.

"It seems to me," he said finally, after the discussion had touched practically all matters relating to the pulpwood problem, "as though the solution of the whole question depends upon the Canadian people as individuals, and not as a nation acting through the Government. Are we patriotic enough? We have great resources in this country. Are we as Canadians doing our best to utilize them to the greatest advantage? I think not. We seem to be content

to let the Americans do the big things, to get control of our industries, and we are satisfied to be in their pay and employ. They are everywhere in this country, and their money is invested in all our industries, in our banks and financial institutions, our railways and everything else. One of these days we will wake up to find that the Americans have bought the whole country. We are too careful of our money. We would sooner put it in the banks at a low rate of interest, very often, indeed, just hide it away, rather than risk it in some of the industries of the land. Let us wake up.

"If Canadians would go into the pulp and paper industry on a large scale the situation would be altered. Will they do that? It does not seem to me that they will. If they did it would be bad for the Americans; it would mean that Canada would eventually control all the trade in pulpwood, pulp and paper."

While he did not care to give it as a positive fact, Mr. Auger was inclined to the belief that in some of the States across the border the Americans were conserving their own limits and buying all the pulpwood they could on this side.

[From The Globe of August 8th.]

ARTICLE NUMBER FIFTEEN

Quebec.—Here, as in other centres visited, The Globe found several parties more or less directly connected with the pulpwood business who were willing to give their views, but did not care to have their names used. One of these men said that in his opinion the real trouble in Quebec was the settler. If the Government would allow the limit holders to name the settlers or decide for themselves whether such were bona fide, then they would find that the limit holders were ready, and even anxious, to co-operate with them in respect to settlement. "I am not in favor of an export duty, or of the prohibition of the export of pulpwood," he said, "although it is but fair

to state that I am not in the pulpwood trade, though my firm is registered as being engaged in that business. We are sending most of our sawn lumber to Ontario now, a new development with us, and if you had anything like decent harbor facilities at Toronto we could send a great deal more there. Toronto ought to be ashamed of its harbor."

Quebec's Great Industry.

Mr. Frank Carrel, editor and publisher of The Daily Telegraph, had no decided opinion as to the advisability or otherwise of imposing an export duty or prohibiting the export of pulpwood absolutely. "We feel,"

he said, "that those interested in the pulpwood business know better what is good for that industry than the other fellow; that the Government does not want to retard that industry in any shape or form, and will take a sensible view of the matter in deciding as to any action. The people of this Province have, or should have, a peculiar interest in the development of the pulp and paper industry. The majority of our merchants, at any rate those this far east, will not cater to the trade of the west to the extent that is possible owing to the geographical position of Ontario. It is to its great timber resources that this Province, I am convinced, must look for revenues and the upbuilding of industries associated with those resources. We are anxious that great care should be exercised in dealing with our forest wealth, so that it should be possible to reap a constant revenue from it. In travelling in European countries, and particularly Austria, I was struck by the benefit gained by the systematic plans of dealing with the forests, and I am thoroughly convinced that the future policy of this Province should be the care and preservation of its forests, as well as the development of the pulp, paper and lumber industries, as one is entirely subordinated to the other. The maintenance of our great water powers, so essential to the industries I have mentioned, is an absolute necessity, and that requires a method of forestry at its best. I must also say that I have been strongly impressed by the forest reservation system of Ontario and the efficiency of the fire-rangings there. Some camping trips in the Temagami and other reserves of Ontario have brought these things home to me more clearly than all the reading I could do about them in many years."

Inquiries From Germany.

Mr. J. J. Procter, editor of The Chronicle, told The Globe representative that he did now and always had favored an export duty on pulpwood, and that The Chronicle strongly advocated such a course in its editorial columns. Mr. Procter indulged in a little bit of humor at the expense of The Globe man. "Of course," he said, without a smile, "an

export duty will be imposed after the next session of the House of Commons."

The Globe man was fairly caught. "Why?" he asked innocently.

"Because the Conservatives will be in power then," Mr. Procter retorted, still without a smile, but when The Globe's representative recovered sufficiently to enter a protest against this prophecy Mr. Procter declined to continue the discussion along political lines. Seriously, however, he was very firm in his conviction that an effort should be made to stop the drain of Canada's natural resources, which has been outlined in these articles. Not only were the Americans taking the raw material and leaving little in return, but the Germans were now beginning to cast eyes this way, and within a recent period there had been inquiries from Germany as to Canadian pulpwood and the possibilities of exportation to that country.

Opposed to a Duty.

It was the misfortune of The Globe's inquirer to be in Quebec when Mr. Herbert M. Price, President of the Province of Quebec Pulpwood Association, was in Europe. Therefore his views could not be obtained personally. Mr. Price is known as a consistent opponent of the idea of putting an export duty on pulpwood; but while his views cannot be given firsthand, it is but a matter of justice to record his opinions as given on this question in a paper read at the forestry convention at Ottawa in January, 1906, and which was published in The Pulp and Paper Magazine of Canada of that month. They are a fair sample of the attitude taken by a number of persons. In part Mr. Price's paper was as follows:—

"The question of an export duty being imposed by Canada on pulpwood has been much discussed, but I feel that the safest course, and the wisest one, is to let things remain as they are, for I believe this policy conduces to the interests of the many. We cannot afford to lose an export wood trade of \$3,000,000 a year, and wait for possibly many years before a home market is found. This country's resources are so immense in pulpwood that we can afford for some time yet to export the raw material, and until we are able to find capital to build up mills to manufac-

ture and export the product; besides, the building of pulp mills in Canada, apart from paper mills, is not particularly encouraging at present.

"Almost Unlimited" Supplies Again.

"When we consider the enormous and almost unlimited supplies of pulpwood derivable from the north shore of the St. Lawrence River alone, we can safely feel that this question may be left where it is for the present. New supplies are constantly coming into sight, and I may mention the island of Anticosti as one of these, which will probably prove itself to be a shipper of pulpwood and pulp on a large scale in the near future. The country between Quebec and Hamilton Inlet, a distance of over 750 miles in a straight line, is a fair reserve for the future. We are not doing posterity a wrong as regards this question of an export duty by not agitating it now. Hon. Mr. Parent, when Premier and Minister of Crown Lands of the Province of Quebec, in his speech on the pulpwood question in April, 1903, stated that there were 62,592 square miles of Crown lands under license, and 100,000 square miles of absolute forest not yet under license, making 162,600 square miles of Crown timber lands, amounting to 104,000,000 acres. Since that date the mileage under license has increased to over 67,000 square miles.

"Besides the above there were some 20,000,000 acres of seigneuries and patented lots, the larger proportion by far being timbered.

What Might be the Result.

"The depreciation in value of timber lands in the event of an export duty would be very considerable, as the duty, in order to meet the views of its ad-

vocates, would have to be made heavy enough to make export prohibitory. It would also stop for an indefinite time the purchase by Americans and others of our unsold timber lands, and would certainly decrease the resources of the Provincial Governments owning same.

"Further sales of Government timber lands could not be made to advantage, and it would inflict a heavy blow on all spruce limits now under license. Thousands of square miles of timber lands would lie unworked for years, with consequent loss in settlement and population.

"The question of retaliation by the United States Government I do not discuss, but it is a factor in the case, although I feel strongly that we must draw the line somewhere as regards concessions. A policy of reciprocity, if obtainable, would be preferable to inaugurating a tariff war.

"Pulpwood has been the means of saving waste in the woods where made in connection with logging operations.

"A certain portion, and by no means a small one, of our northern spruce-producing country cannot be developed to advantage by the building of pulp and paper mills, but the pulpwood on same can be stripped to very great advantage.

"Every settler is more or less interested in the pulpwood trade, and it has helped largely the clearing and settling of land. The greatness of our water powers will be a telling factor in the future in solving this question of export duty.

"The shipment of pulpwood to other countries than the United States is today practically barred by transportation charges, as Europe is supplied to a great extent by Scandinavia on account of its proximity."

[From The Globe of August 10th.]

ARTICLE NUMBER SIXTEEN

Chatham, N.B.—At this place The Globe's representative found one company dealing entirely in lumber and shipping most of its products direct to England, another company shipping considerable quantities of pulpwood to the United States, and a third shipping

pulp to the same country. The managing director of the latter was opposed to any interference with exportation, principally because he is an uncompromising free trader. The pulp shipper was against it and the lumberman was in favor of it. The latter,

Mr. W. B. Snowball of the J. B. Snowball Company, has been a consistent advocate of the prohibition of the export of pulpwood, and has voiced his opinions and arguments at many of the meetings of the Provincial and Dominion forestry associations and elsewhere. "I am opposed to an export duty on pulpwood," he said. "My idea is that the exportation of pulpwood from Canada should be absolutely prohibited. If a duty is decided upon it should be high enough to be prohibitive. That is what we should have in this country. I believe that if the Governments of the various Provinces would follow the example of Ontario and forbid the exportation of pulpwood out on the Crown lands it would go a long way toward inducing the establishment here of the pulp and paper manufacturing establishments from the United States."

Mr. Snowball said that his firm has 500 square miles of Crown lands, and deals entirely in sawn lumber. They do not export lumber pulpwood at all. Much of their output was shipped direct to Europe. In fact, a few minutes after the interview with him The Globe representative went down to his mill, where a steamer was then loading with deals for Manchester. Some 10,000,000 feet of the 30,000,000 to 35,000,000 feet board measure which they handled every year goes to Ontario. But, while they did not handle pulpwood, Mr. Snowball maintained that his interest in the question was none the less real. He held that the raw materials of Canada should be manufactured in the country and not shipped to a foreign country, there to build up industries whose products later competed and were often sold at slaughter prices against the product manufactured in the Dominion. Americans, he said, were beginning to get control of a number of the limits in the Province, and were negotiating for others. There could be no objection to that if they were compelled to manufacture here. Limit holders in New Brunswick, said Mr. Snowball, did not have the same trouble as in Quebec in regard to the settler question. The Government was very strict in this matter, and did all that was possible to protect

the limit holder against the speculator either in the guise of a settler or any other.

Export Duty Would be a Mistake.

Mr. J. T. Rundle, the manager of the Miramichi Lumber Company, which ships considerable pulpwood to the United States, took a decidedly opposite stand to the attitude of Mr. Snowball. It is not doing any injustice to him, however, to point out that officials of the International Paper Company, one of the big American concerns that has obtained and is obtaining more limits in Quebec from which pulpwood is being shipped to its many establishments across the line, have considerable financial interests in his company. However, Mr. Rundle brought out in stronger light one or two points previously touched upon in this correspondence, particularly in respect to the manner in which the pulpwood man uses up all the material out instead of, as in the case of the lumberman, just cutting to obtain logs of a certain size. "We are decidedly opposed to an export duty," said Mr. Rundle. "You might just as well put an export duty on deals. The argument, as I understand it, is that an export duty would compel the location of the pulp mills here. But is it not against all reason to expect that people are going to build pulp mills where they will not pay—and from what I can hear they do not pay, or have not done in the past, in this Province at any rate. Good water powers are few in this Province, and coal is comparatively expensive. A pulp mill cannot be run without ground wood; to get that you must have good water powers to work your mills, steam power is too expensive." The company he represented, Mr. Rundle said, had Crown lands as well as lands purchased from private parties. They shipped most of their pulpwood to Portland, Maine, first roasting it here. "That means that we spend here about as much as it costs to manufacture logs into deals. Most of the stock that we use for the making of pulpwood is from the tops of the trees, and we can use down to about four inches in circumference. This plan is a benefit to the forest, because it means the using up of

every bit of lumber that is cut down instead of leaving a lot of material around to constitute a danger from forest fires, like the lumberman does. It also gives the smaller growths a better chance to spring up, and in that way is really a fine aid to the preservation of the forests. In my opinion the prohibition of the export of pulpwood from this Province would simply result in leaving the stuff in the woods; the American mills would not come here, and there are not enough Canadian mills to cope with the supply. You would simply be shutting off an avenue of trade."

Thinks Americans Would Retaliate.

"I am a free trader out and out," was the declaration of Mr. James Beveridge, managing director of the Miramichi Pulp & Paper Co., which has considerable Crown lands under lease. His associates, he said, were in the United States, and they had taken up the establishment at Chatham chiefly with a view to securing a supply of raw material. If an export duty was put on Canadian pulpwood sent to the United States it would simply mean, in his opinion, that the Americans would retaliate just as they did when the Province of Quebec had a high tax on pulpwood cut on Crown lands and sent out across the border. The Americans made no objection, but applied the duty to pulp sent from the other Provinces. It is true that the

three or four New Brunswick establishments, of which his was one, took up the matter and fought it out before the American Board of Appraisers, with the result that the duty they had paid was refunded. But this result was only reached after heavy costs, and the whole incident showed in what spirit the Americans would treat a Federal export duty. The company, Mr. Beveridge said, shipped about three-quarters of its output to the United States, mostly to Massachusetts, but sometimes to Wisconsin. The question of the absolute prohibition of export was another matter. Mr. Beveridge said, in continuing the discussion in response to a question as to whether it was not desirable that the raw material should be manufactured in this Province. If it could be assured that this latter result could be brought about without a tariff war, then it would be a different story. So far as the benefit the country was concerned he thought it would be infinitely better to export pulpwood in the raw state than allow of all the lumber being cut up in the saw mills, where there was so much waste. In this respect he repeated practically the same arguments as those advanced by Mr. Rundie.

Mr. F. E. Jordan of The Commercial stated that that paper had of late advocated the manufacture of the raw material in Canada, and would continue to maintain that attitude.

[From The Globe of August 12th.]

ARTICLE NUMBER SEVENTEEN

Fredericton.—In previous articles mention has been made of the fact that lumbering and pulpwood conditions are somewhat different in this Province to those of Quebec and Ontario. The timber lands of this Province still held by the Crown are only about 10,000 square miles in extent, most of which is under license. Other forest lands, of which there is a considerable amount, are held in fee simple. Generally speaking, pulpwood cut on Crown lands is subject to the same dues as merchantable lumber, namely, \$1.25 per thousand superficial feet. Except in some locali-

ties where there is stunted growth there is no pulpwood cut and actually recognized as such, as is the case in the other Provinces. Licenses are for a fixed period. Thus licenses renewed in 1893 are good for a term of 24 years dated from August 1 in the following year, so that the majority of the licenses on the Crown lands have yet eleven years to run. This fixed period idea has been adopted in respect to some such as to cut pine sold in Ontario in recent years. It is a moot question among many people whether this plan is a good one. Admitting that it

has a tendency to do away with the holding of land for speculative purposes, and that it perhaps aids in the quicker opening up to settlement of land which may be fit for agriculture, it is still maintained by a number of persons that it is simply, in effect, a premium to cut away the timber as rapidly as possible. This, it is contended, does away with any idea of proper forest conservation, the lumberman's sole idea being to get turns for his investment, and is not a wise plan in the interests of future Provincial revenues. However, that is a matter for the lumbermen and the Provincial Governments to decide among themselves when the latter show a keener desire than they have been doing to grapple in a practical manner with the great question of systematic methods of forest preservation and conservation.

In this connection an important piece of new legislation in New Brunswick is worthy of some notice. Generally known as the "public domain act," it covers many matters, but its chief importance in connection with the subject discussed in these articles lies in the authority it gives for a complete survey of the Crown timber lands of the Province, the classifying of such lands, with details as to character, and estimates as to quality and quantity of the timber, an examination of the streams to show to what extent they can be used to facilitate lumbering operations, and also to enable a decision as to whether measures should be taken to store or conserve their flow. The agricultural lands are to be designated and surveyed into one hundred acre lots, and the Lieutenant-Governor is vested with authority, on receipt of the report to make such regulations as may be deemed necessary to properly protect and encourage the lumber industry and to preserve the various timber areas of the Province. This measure will undoubtedly be carried out.

Let the Federal Government Act.

The question of prohibiting the export of pulpwood or the enactment of an export duty is a matter which here, as in other Provinces, is beginning to attract a considerable amount of attention and while there are, of course, as elsewhere, varying opinions, *The Globe*

found a growing sentiment in favor of some action that would compel the manufacture of the raw material into pulp or paper within the confines of this Province if possible, and if not, then somewhere in the country rather than outside. Hon. Francis J. Sweeney, the Surveyor-General of the Province, was asked for his opinion when *The Globe's* inquirer found him in his office at the Parliament buildings here. He is a big man, above the average height, well proportioned, and, judging from the one interview, an optimist of the best type; broad-minded, a thorough Canadian and a strong Imperialist. "The question as to the export of pulpwood to the United States," he said, "does not affect us so much in this Province, for the present at any rate, as it does some of the other Provinces. We have several pulp mills in New Brunswick, and they use up a considerable amount of the raw material here, and up to the present the amount of pulpwood exported is small. However, the export is beginning to assume larger proportions, and the matter is one with which we will soon be face to face."

Personally Hon. Mr. Sweeney said he was in favor of any step the Dominion Government might take which would lead to the manufacture of the raw material into finished products in this country. That was something to be desired, and if it could be brought about it seemed to him that it would be a good thing for this country in the future. He did not, however, consider that the question was one for the Provincial Government to deal with in the way that Ontario had done, in respect to demanding the manufacture in the Province into logs of pine timber cut on Crown lands. Matters affecting trade and commerce he regarded as exclusively in the jurisdiction of the Federal authorities, and he thought complications might arise if the Provincial Government made an effort to prevent the export for pulp-making purposes of any timber cut on Crown lands.

Eastern Canada Advancing.

He expressed pleasure at the growing interest in forest conservation which in his Province had resulted in the formation of a branch of

the Forestry Association. He was also delighted at the growing of Canada's industries, particularly lumbering, agriculture and fisheries. The Province of New Brunswick was, he said, coming to its own again. "We may not be making so much noise about it as some of the others," he said "but we are having our share of the development and progress which is characteristic of Canada today. As Canadians we are glad of it. We are glad for many things. One

of the most pleasing phases of the movement is that many of our people who went to the United States some years ago are coming back to take farms, the fisheries, the lumbering and other industries of the Province. The west is not everything in Canada, though everybody with a spark of patriotism in him must rejoice at the rapid advancement of the west; we of the east are doing something here to uphold and advance the country."

[From The Globe of August 13th.]

ARTICLE NUMBER EIGHTEEN

St. John, N.B.—Mr. H. W. Schofield of the Edward Partington Pulp & Paper Company, in an interview with The Globe's investigator, expressed himself as strongly in favor of the total prohibition of the export of pulpwood. It is true that the company is at present shipping its entire output of pulp—some fifty tons a day—to the United States, and may, therefore, be said to be considering its own interests first in requiring that the wood be retained in this country for manufacture and not sent out in its raw state. But Mr. Schofield when confronted with this argument held that any advantage which might accrue to Canadian manufacturers in the way of prices of pulpwood bought from farmers, following a prohibitory policy, could only be temporary. In fact, wherever private landowners had their supplies near the mills there would be no advantage at all to the latter, which would rather pay a somewhat better price for the material close at hand than have to fetch it long distances, losing in time and freight rates. As a matter of fact, however, this consideration, as The Globe's inquiry in this Province has shown, does not play such a large part as in Quebec, because there is not nearly, even proportionately, the same amount of pulpwood land held by the farmer and the settler, nor is the "speculative settler," and the speculator who backs the so-called settler so numerous or so successful. The Partington Company is one of the concerns controlled by an English com-

pany, with headquarters at Manchester, and which has mills and other establishments in several countries, Norway and Austria being two of them. They also have six or seven paper mills in England. When the conditions of the market warrant it the mill here ships its pulp to England. At present, however, it is, as stated, catering to the American market, where prices are, as in Canada, the highest in years.

Stetson, Cutler & Company, one of the big American companies which has establishments at Bangor, Me., and elsewhere, has a large lumbering mill in this city and also has under lease the pulp mill at Mispec, not far from St. John. The latter establishment was leased from the Corporation of St. John, into whose possession it came by purchase from the original Scottish owners. The mill was not a success under its former management, and the Corporation bought it out in order to avoid litigation and trouble respecting the water supply of the city, the mill being close to the source of that supply. Ninety-nine per cent. of the output of this mill and of the company's lumber mill here goes to the United States. The Bay Shore Lumber Company of Brunswick, Me., has a roasting mill some distance below St. John, where pulpwood is treated and then sent on to its American mills. The indications in this vicinity point, as they do elsewhere in the Province, to a very largely increased exportation of pulpwood to the United States, and amongst those who have given the matter any

consideration there is a feeling that the time has arrived when this situation should be taken into consideration with a view to seeing what can be done to insure the manufacture of most of their pulpwood into pulp and paper in Canada.

Curiously enough, one thing that is helping to veer public opinion, and it is a matter that was not thought much of until within recent years, is the manufacture of American cut timber on this side of the border and its free admission into the United States as against the duty with which Canadian logs have to contend. Stripped of unnecessary detailed explanations, it arises from the fact that timbers cut in the forests of northern Maine are floated to the St. John River because the natural flow of the waters is that way.

They are then manufactured on this side and returned to the United States, where the Government allows, as stated, their free admission on the ground that they are an American product. Of course New Brunswick has the advantage of the money expended in the manufacture, and in the past that consideration seems to have outweighed all else. But people are now using this as an argument in support of the manufacture here of everything cut in the Province. "The Americans," they say, "give us no advantages of any kind in the lumber industry, and in return we are allowing them to take freely of our resources as well as giving them other special advantages. They are taking them all and looking for more. What is Canada going to do about it?"

[From The Globe of August 18th.]

ARTICLE NUMBER NINETEEN

Ottawa.—"For nearly thirty years, in season and out of season, spring, summer, autumn, and winter, I have advocated the prohibition of the exportation of sawlogs and pulpwood from Canada. With us it is Canada first, last and all the time. We manufacture for sale in Canada chiefly, and as far as possible any surplus we have is sold under the British flag." Thus Mr. W. H. Rowley, President of the E. B. Eddy Company, greeted The Globe's representative, when the latter called on him in connection with the pulpwood inquiry which this paper is conducting. "If the Federal Government thinks it better to put on an export duty than to decide upon the absolute prohibition of export there is no reason why they should not do so," he continued, "but by far the best way would be to boldly decide for absolute prohibition of the exportation of our raw materials in pulp and wood. It would naturally follow that these materials would then be manufactured in Canada, and that is what we are and all others should be aiming at. Some people seem to be afraid of doing anything that will bring in more Americans over here to establish lumber mills and

pulp and paper making mills. That is an attitude that I cannot understand. We want to live in peace and amity with our neighbors whether they stay on their own side of the line or come to Canada, but why should we be afraid of them, because some people regard them as commercial competitors or foreign foes, and others look upon them as mercantile marauders? The more pulp and paper mills in Canada the better for the people at large and for the general prosperity of the country."

Proceeding to deal with other questions arising out of the subject matter under discussion, Mr. Rowley was firm in his opinion that the Dominion Government, and not the Provincial Administrations, was the proper authority to deal with sawlogs and pulpwood exportation. The latter could only increase the charge or prohibit the exportation of logs and pulpwood cut on Crown lands, thus discriminating against holders of private lands, whereas the Dominion Government regulations would be applicable to all. As matters were now it was quite possible, and often has happened, that a pulpmaker in the United States "grub stakes," so to speak, a man on the

public domain, so that the latter may cut off all the pulpwood on the lot on which he had ostensibly settled for agricultural purposes, sell all the logs and pulpwood to his American backer, and then go on another lot on the plea that the first one was not good enough for farming. With prohibition of the export of pulpwood the limit holder on whose limit the settler is thus located would at least have an opportunity to buy from him any pulpwood he might cut, and not suffer the humiliation of having the man not only go on the limit in spite of the owner, but knowing at the same time that any wood he would cut would be sold to Americans direct or through the jobbers.

Should be Manufactured Here.

Mr. Rowley emphasized, as others have done during the course of the inquiry, the very small revenue to Canada from the hundreds of thousands of cords of pulpwood exported annually to the United States everywhere, compared with the large amount that would be realizable from that pulpwood if manufactured into paper in Canada. He alluded particularly in this connection to the manner in which the pulp and paper manufacturers assisted in the upbuilding of communities. "The pulp and paper business," he said, "is the only business I know of in Canada at which every grown member of a family can find work day and night the year round. A pulp and paper mill to be run profitably must be run day and night for the 310 working days in the year, and in some one or another of its departments every grown-up member of a family can find in Canada steady work at good wages all the year round." Mr. Rowley touched upon the varied manufacturing interests with which the pulp and paper industry was intimately connected, and pointed out that all would be advanced and sustained by the progress of the industry in Canada. Not long ago all pulp and paper machinery supplies had to be purchased in the United States. Now a large quantity is being made in this country, and the various lines are increasing. There is still a lot of material in the shape of pulp and paper machinery bought

across the line, but there is also talk of the establishment in Canada of a manufacturing plant devoted exclusively to the making of paper and pulp machines. English and American interests are hurrying the consideration of this proposition. One concern, it is understood, has reached that stage where its members are looking for a favorable site to locate a plant. It is also worth noting that the coal industry and the paper men are closely concerned. The Eddy Company, for instance, uses between 20,000 and 25,000 tons of coal a year, and bring it from Sydney all the time.

Americans Must Have Our Pulpwood.

Reverting to the question of the pulpwood supply, Mr. Rowley was emphatic that the demand from the United States was caused by the depletion of the supply there. It was quite obvious that this was the situation. One could not very well come to any other conclusion once he looked into it. At the present time the eyes of the paper-consuming world were turned Canadaward for their pulp and paper. There were other pulp producing countries, Germany and Scandinavia, for example, but the vast storehouse of the raw material for the pulp and paper making of the whole universe was Canada. At present we had but touched the fringe. The opening up of other parts of Canada by the Grand Trunk Pacific and National Transcontinental Railways would bring within reach still vaster supplies than those now available, and that being the case there was no time like the present for taking steps to assure the retaining of our wood supply for Canada, and for its proper and complete manufacture in the country. What was the sense of sending our wood to build up a foreign country and furnish it with weapons to fight Canada in the commercial world? He did not think there would be much danger of retaliation by the United States in the event of Canada prohibiting the export of pulpwood. The interested influences in the States would be too powerful to allow of any Government preventing them getting paper from Can-

ada. Nor did he believe that the farmer and the small holder of Canadian pulpwood lands would suffer. They would get their price for their wood just the same as now, and eventually a better price than they were getting at the present time.

A Specimen Difficulty.

Finally, as one indication of some of the difficulties Canadians have to suffer because of the demand from the Americans for pulpwood, Mr. Rowley showed The Globe's inquirer a letter from an eastern Canadian papermaker, which read in part as follows:—"Can't your firm make a move to get a meeting of the pulp and paper firms in Canada to

make a strong protest against this wholesale export of pulpwood to the United States, or at least get a strong move-on regarding the export duty on pulpwood? It is vexing to us, sitting here looking at the barge loads of pulpwood passing up daily from Quebec for the American mills, and we here cannot get sufficient pulp to keep us running full. Kindly let us know what you think of the matter."

"We ought to make the cry 'Canada for the Canadians' mean something," said Mr. Rowley. "We ought to manufacture our own raw materials into the finished product in this country. Markets enough for them will be found without difficulty."

[From The Globe of August 17th.]

ARTICLE NUMBER TWENTY

Ottawa.—At an hour in the morning when many younger men are just thinking of boarding the car or going downtown in their automobiles to business, The Globe's inquirer into the pulpwood situation found Mr. J. E. Booth at work in his great lumbering, pulp and paper-making establishment by Chaudiere Falls. Early as it was, the day was very hot, but neither this nor the burden of his eighty years seemed to have any effect on Mr. Booth. He walked with energetic steps around several sections of his establishment, his keen, shrewd eyes noting all that was going on, and found time in the intervals to give some of his opinions on the subject which is under discussion in these articles. At the outset it may be said that Mr. Booth is strongly in favor of the total prohibition of the exportation of pulpwood. One reason advanced was the low rate of freight on the wood taken into the States, and the high rate charged on paper. The duty added to the latter combined in most severely handicapping Canadian manufacturers. If the American Government took the duty off paper altogether, Mr. Booth said, the situation would be changed, but there seemed to be no chance of that, and the only remedy was, therefore, to prevent the wood going out of

the country. As an example of the freight rate handicap, Mr. Booth said that pulpwood was being carried out of the country at a rate of six cents a hundred pounds, and for the same distance a rate of eighteen to twenty-four cents a hundred pounds was charged for paper. The Booth establishments are at the present time making from 90 to 100 tons of paper a day, and there is in course of erection a sulphite mill that will enable them to add to their output. In spite of the freight and duty disadvantages they are shipping some paper to the United States, and are constantly in receipt of inquiries from many parties across the line as to quotations and quantities. They also ship to Japan, Australia, Britain, and other countries.

The Farmer and Settler.

To the question which has been asked of all those interviewed, Mr. Booth answered that he was confident that the farmer and "settler," so-called, who had pulpwood to sell would not suffer if its export was stopped. They might be at some disadvantage for a year or so, and perhaps get a little lower price for their material, but even the latter was doubtful. But it would soon be found that they were getting as much as formerly, and that, in the end, they would be

greatly benefited rather than otherwise. He emphasized the comparison as to the value to the country of pulpwood shipped out in its raw state, compared with the returns for pulpwood manufactured in Canada into pulp or paper. "On an average," said Mr. Booth, "it takes one and a half cords of wood to make a ton of paper. For that cord and a half the farmer receives not more than \$4.50. That is the limit of the extent to which buyers of pulpwood for export help this country. Add the cost of transportation out of the country and there is a trifle more left within our boundaries. Look at it from another point of view; if that cord and a half of pulpwood were manufactured into paper in Canada there would be expended in the making alone some \$24. Would it not be better to bring about a condition where such an amount could be expended here, rather than continue a system which allows our raw material to go out of the country for such a trifling return as that I have mentioned?"

Not Afraid of Retaliation.

Mr. Booth had little fear of retaliatory measures by the Americans in case of the prohibition of export of pulpwood. Like most of the other paper makers who were interviewed, he was of the opinion that the fear expressed in some quarters that this might follow any action by Canada such as that outlined was in the nature of a false alarm. The Americans, he thought, would find that they were simply making matters much worse for themselves by taking such an attitude.

He was convinced that the stopping of the export of pulpwood would compel a number of American pulp and paper mills to establish in this country in addition to leading to the establishment of mills by capitalists not now in the business. Coincidentally, there would be the establishment of a number of factories for the making of machinery used in pulp and paper making. Under present conditions a large quantity of such machinery had to be purchased in the United States, and considerable duty had to be paid on it. He hoped to see the Government take the action he so strongly advocated, and he hoped to see it taken quickly.

A Free Trader's View.

Senator Edwards, head of the W. O. Edwards, the great lumbering company, clear of eye, vigorous of movement, and unmistakably emphatic in his attitude on any question, regarded the agitation for an export duty on pulpwood as the origination of those who want to circumscribe the market and make owners of pulpwood sell at the prices they dictated. At the present time, he said, the company had an expert in Europe, who was gathering information with a view to assisting the company as to the best course to take in their decision to manufacture pulpwood, and perhaps paper. "Everybody knows that I am a free trader," continued the Senator, "and an uncompromising free trader." He was, he declared, favorable to manufacturing the raw material in Canada. "But," he added, "I do not want Chinese legislation to help me. We have had too much of that already in this country. If the Canadian people, with the most numerous and the best water powers in the world, the greatest quantity of available spruce for the making of pulp, and labor as good as that which can be found anywhere else, cannot get along in that particular industry without such help, as some claim they must have, they had better go and die, they are not fit to live. I want the other fellow, who is not going to build a mill, either because he cannot afford it, or for any other reason, to be at liberty to sell his material wherever he can get the most for it, whether that is in Canada or the United States. Consider this also: Nothing could be more detrimental to the interests of this country than that all the men who can do so should build pulp and paper mills. They would destroy the business, which is being developed as fast as it is good for Canada. In the meantime let the poor fellow who has a few cords of pulpwood to sell place them where he can get the most for them without let or hindrance. Would it be fair to allow a few pulp and paper makers to get together to fix the amount that was to be paid for pulpwood? What would the farmers be able to do in such a case? But that is the condition that would result if the export of pulpwood was directly prohibited or

made impossible by the imposition of a high duty."

Natural Growth Predicted.

The business, the Senator thought, would grow naturally, if left alone, so that eventually this would be the greater manufacturing country. So far as the United States was concerned, that country could supply itself with pulpwood for several years to come, although there was no gainsaying the fact that in some of the States, at least, they were looking forward to the depletion of their supplies. No doubt there would, in the course of time, be a number of mills established here because of that depletion. It would be cheaper to come to the source of supply in the end than to make long hauls of the raw material and be subjected to unavoidable delays and other disadvantages. "I am not one of those," the Senator continued, "who believe that you can fight so large a country as the United States with retaliatory tariffs. In my opinion you would bring the United States to their bended knees, so to speak, with a low tariff or free trade. With a low tariff in this country we could allow the United States to put their tariff wherever they pleased; we could ruin their commerce. The people of the United States are such large buyers of foreign goods that if we had a uniform tariff of

eight to ten per cent. they would flock into this country and buy so much that the largest possible army of custom officers could not keep them from passing to and fro. With such a tariff against their sixty per cent. tariff wall, it is easy to figure out where our advantage would come in."

As stated in a previous article, Senator Edwards contended that the real question in connection with the pulpwood situation, and all that pertained to the lumbering industry, was that of forest conservation. It is not intended to repeat his views here.

The British Market.

Senator Edwards was kind enough to show to The Globe's representative a letter from the expert referred to, in which that gentleman discusses at some length his visits to a number of pulp and paper making establishments in Norway and Sweden. He expresses the opinion that, while the pulpwood of the Scandinavian countries is not so good as the spruce wood of Canada, the manufactured product is, on the whole, of a better quality. He considers that, owing to the geographical position of the countries named, combined with their standing in the industry, Canada will not be able to successfully compete with them in the British market.

[From The Globe of August 19th.]

ARTICLE NUMBER TWENTY-ONE

Montreal.—Mr. Carl Riordon, General Manager of the Riordon Paper Mills Company, who have their offices here and mills at Merritton and Hawkesbury, has given to the pulpwood question much time and consideration. In speaking with The Globe's inquirer he presented several phases of the question in a somewhat original manner. He favors the total prohibition of the export of pulpwood, contending, as many others do, that the Canadian mills could and would buy all the pulpwood that Quebec farmers have for sale at as good

prices as they are now getting. Mr. Riordon's views follow:—

"The problem of pulpwood, to my mind, presents itself to the people of Canada in two ways: First, our pulp and paper industry is stunted, compared with what it should be, considering our natural resources. Second, the Province of Quebec has reached a stage where it is as overcrowded as many of the countries of Europe, because it is not developing its resources in such a way as to support the largest possible population.

"Our pulp and paper industry has not

had the development that it should have, because it has had very great difficulty in finding markets. Our news industry depends for its market on exportation outside of America, particularly to countries within the British Empire, and it has been beaten in this direction by the United States producers, because they have been able to dump a small proportion of their total output, if necessary, at cost, and because they have always been able to make sufficient profit out of the large home market. Our pulp industry depends on the United States for its principal market, because Europe, which is the only other market of any consequence, has been fully supplied by its own makers. Our pulp industry has been heretofore in a weaker position than the United States producers in the United States market, because they are protected by a considerable duty. Our manufacturers of the minor grades of paper have depended entirely on the home market, and in many cases they have not been able to hold their own against foreign producers, for the reason that in those grades of paper there are a great many varieties, and in most of them the consumption is so small in our market that any one mill has had to make a great many of them, and so could only compete with difficulty with mills whose large home market enabled them to run entirely on one or two lines, which they could consequently make much more cheaply.

Canada Has the Whip Hand.

"It is evident from this that the principal market of each of the pulp and paper industries has been subject to the competition of the United States mills, which are in a stronger position than our mills. The peculiarity of this situation is that one of its principal and essential elements is a supply of Canadian pulpwood, over which we, of course, have control. This supply of Canadian pulpwood is essential to the United States pulp and paper industry, because they have not got sufficient wood of their own, and this is proved, not only by the statistics compiled by their own Government, both in the Census and Forestry

Bureaus, but by the fact that prices of pulpwood have risen to a very high point, and that although they are paying these high prices, many mills are producing less than their full quantity because they cannot get enough pulpwood. This shows that not only is the United States short of pulpwood, but that, paradoxical as it may seem in view of our resources, Canada is becoming so, too. At the present time there is no wood on the market in Quebec, Ontario or Wisconsin.

Settlers and Speculators.

"The overcrowded condition of Quebec is apparent to anyone who is familiar with the Province, and this is especially true of the new settlements. There are thousands of families settling on land in Quebec which is not capable of supporting them, and this can only be because there is not enough suitable land left. It is a fact that a great many bona fide settlers who take up land in the forest districts of Quebec would not be able to live if they had not the timber for sale, because the land could not raise enough food products to support them. The result is that there has heretofore been almost an over-production of pulpwood in Quebec, and a great deal of land has been stripped of wood and abandoned because it was of no use for any other purpose. Of course, besides the bona fide settlers, there have been a great many people employed by speculators in order to get control of the land and take the wood from it for them. A gentleman who is very thoroughly informed on the questions of Quebec timber supply and lumber and pulp industries has told me that fully one-half of the people who get on land and get out the pulpwood at present exported to the States belong to this latter class.

"It is apparent to all well-informed observers that if Quebec had explored its resources in the same way that the municipalities in Ontario have done, the people of Quebec themselves would have been the first to try and have the exportation of pulpwood restricted in order to enable them to avail themselves of their natural resources in wood and water power to locate industries

throughout the Province such as The Laurentide at Grand Mere or our own at Hawkesbury. If they had done this it would not have been necessary for a considerable number of the people of Quebec to subsist miserably on land incapable of supporting them, for they would have had a market for their labor and those on real farming land would have had a market for their produce after they had cut off the wood.

"This labor situation is very well illustrated by the city of Montreal, which is growing wonderfully on account of industrial development, but there are not enough men to be had for the work Montreal offers.

The Government Has the Authority.

"The Dominion Parliament has already authorized an export duty on pulpwood, which can be put in force at any time by order in Council, but I think the situation would be better met by an absolute prohibition of the export, so that wood would be reserved for Canadian industries. I feel sure that these would soon be established to an extent that would use all the wood for sale by legitimate settlers, because the United States firms now importing pulpwood from Canada would be obliged to move their mills over here. At the present time United States mills own waterpowers on the Miramichi, Jacques Cartier and St. Maurice Rivers, so that they have already one essential to the establishment of pulp and paper mills here. The lack of waterpower is not, however, so serious an impediment as it is supposed to be. The city of Kalamazoo is the second largest paper-making centre in the United States, and there is no waterpower there whatever. The waterpower is essential to the paper mills only where ground wood is made. At Kalamazoo they make finer paper largely out of chemical wood pulp.

It seems an extraordinary thing that the Dominion Government has taken such a great deal of trouble to foster the steel industry and done so little for the pulp and paper industry, in view of the fact that the latter is the industry of all others in which Canada should lead the world.

What United States Might Do.

What United States Might Do.

"I think the United States Government would endeavor to have the prohibition of pulpwood export stopped by offering to take the duties off pulp and paper, but it seems to me they will have to take those duties off anyway, because they have become a burden to their own people. The paper industry there is old enough to need no further protection and cannot be made any better by it, and their working people do not need protection from us because our wage rates are equal to theirs. Also the west is oppressed by the duty on pulp, because the eastern mills are able to get wood from Canada so much more cheaply than the western mills that they are able to undersell them in their own markets.

Farmers Would Not Suffer.

"I do not think there is any doubt but that the Canadian mills could and would buy all the wood that the Quebec farmers have for sale at as good a price as they are now getting if the Canadian mills had the protection that the prohibition of export would give them, and the new construction that this protection would bring about would soon make the market larger than ever. Our company are at the present time using from 90,000 to 100,000 cords per year and we buy a considerable portion of it from farmers."

[From The Globe of August 24th.]

ARTICLE NUMBER TWENTY-TWO

Sault Ste. Marie.—Ontario's pulpwood areas are vaster than some of the nations of Europe. One may travel from east to west for a day and a night and a day before he has crossed the base line of the Ontario section of

Canada's almost boundless pulpwood lands. In the wooded area north of the great lakes, up the height of land and down the northern slope to the shores of Hudson's Bay the earth is blanketed with a mantle of dark green

ascending trees, so vast that small nations might be dropped there and remain almost unnoticed.

The republic of Salvador, with its 7,225 square miles, would scarcely cover Lake Nepigon and its tributary waters. The Netherlands, with their 12,048 square miles; Ireland, with 32,005 square miles, and Scotland, with 29,785 square miles, could be put down side by side or end to end in Ontario's great pulpwood farm and combined they would not obliterate it from the map. A group of diminutive South American republics could be distant neighbors in this great north land, and forget their intuitive quarrels and revolutions. Vast! The word describes the extent of Ontario pulpwood lands in the truest Canadian understanding of the term.

They Are Not Inexhaustible.

I have deliberately endeavored in these introductory lines to drive home this impression of largeness, for I hope to dispel by anomaly another popular but erroneous idea that the pulpwood resources of Canada are inexhaustible. Vast as the pulpwood areas of the nation unquestionably are, they are as vulnerable as the herds of buffalo that thundered in hundreds of thousands over the prairies and then vanished. These forests are as vulnerable as were those of the Adirondacks and of northern New York, which gave way day after day and year after year before the portable mills of unscrupulous owners until the industry disappeared, the trapper vanished, and only charred, dry stumps were left to tell the story of the vandalism of an inconsiderate generation.

Pulpwood as a National Asset.

I would not be speaking sanely from an economic standpoint were I to state that the ice supply of New Orleans is inexhaustible, because countless billions of tons of it can be secured in the Arctic regions. That is not an economic source of supply. Nor can pulpwood be fairly measured in taking stock of a national asset unless it is within reasonable distance of a waterway, a water power or a railroad. The question in Ontario is, first of all, one of conservation. Whether in the hands of foreign or Canadian capital, or held, as 90 per cent. of it is to-day, by the Crown, the first duty would seem to be to make the cutting of pulpwood subject to such conditions that the source of supply will afford material for an industry as long as the Dominion stands.

The pulp lands of Ontario comprise a belt extending from the Quebec boundary westerly nearly one thousand miles, and lying to the north of the height of land on streams tributary to the Moose and Albany Rivers flowing into James Bay. This area has an average depth north and south of nearly 150 miles, the most densely timbered portion lying between the eastern boundary of the Province and Lake Nepigon, north of Lake Superior, although tree life suitable for pulpwood material extends westerly beyond this three hundred miles.

Ontario's pulp area is 80,000 square miles, or approximately 51,000,000 acres. In the present conditions of the pulp and paper market it must command the attention of foreign and domestic capital as well as the thoughtful consideration of the Canadian people.

[Globe Editorial August 26th.]

ONTARIO'S PULPWOOD SUPPLY

The articles published during the past few weeks in The Globe on the pulpwood supply of Quebec and the Maritime Provinces have been greatly appreciated and widely reprinted. They have confirmed the generally entertain-

ed opinion that Canada's supply of spruce is by no means inexhaustible, and that, whatever policy may be adopted with a view to securing the conversion of wood into pulp before it is exported, the time has fully come for the adop-

tion of vigorous measures to check the reckless destruction of pulpwood forests. Generally speaking, this is a matter for the Provincial Legislatures to deal with, and the sooner they set about the task of spruce forest conservation and reproduction, the better for the pulp and paper making industry.

On Saturday there appeared in The Globe the first of a second series of articles on the spruce forests of Canada, this time from the pen of Mr. J. S. Crate, who has accumulated a mass of information regarding the pulpwood supply of the Province of Ontario. Until within the past few years our vast areas of spruce were deemed valuable only as

a source of lumber, but the discovery that spruce is the best wood for conversion into pulp and paper has altered economically the whole situation. Henceforth, unless and until it is displaced from its pre-eminence, the Canadian spruce will take rank with the Canadian white pine as one of the most valuable trees that nature has produced. Of spruce timber Ontario has now a larger supply than any other country, and if reckless vandalism continues to prevail elsewhere this Province may, under an enlightened policy, secure and retain a virtual monopoly. What this would mean in relation to the prosperity of the Province is easier to imagine than to foretell.

[From The Globe of August 30th.]

ARTICLE NUMBER TWENTY-THREE

Sturgeon Falls.—In taking stock of the pulpwood assets of Ontario it must be admitted that much of the country has not been thoroughly explored. One does not, after all, gain extensive knowledge of the pulpwood areas by travelling along the Canadian Pacific Railway, which forms their base line. The railroad has stripped the country for seven miles on each side of its heavier timber for ties and building construction, and as a result the passenger spends hour after hour through the monotony of second-growth jack-pine. Back from the railroad one soon reaches the almost impenetrable forests, and down the slopes of the lakes and along the riversheds spruce may be found in sufficient quantities to form the basis, if properly conserved, of a great national industry.

An Estimate of the Amount.

Some progress has been made in the exploration of this great pulpwood wilderness. Two thousand miles of base and meridian lines have been run through different parts of the territory since 1890, and some eighty-five or ninety townships, comprising 2,500,000 acres, have been surveyed and official information concerning that territory is obtain-

able. This is, of course, but a fraction of the 51,000,000 acres of lands comprising the pulpwood area.

A semi-official estimate of the pulpwood within the Province places the figures at 300,000,000 cords, or about six cords to the acre. Men who have travelled far into the north assert that this estimate is far too generous, and that 200,000,000 cords, or four cords to the acre, would be more nearly correct. It is interesting, however, and only just to the gentlemen who made the official calculation, to consider the basis on which the estimate has been arrived at. On one of the base lines run west from the Quebec boundary, in latitude 49 degrees 39 minutes 30 seconds north, for a distance of three hundred miles, which line passes through nearly the centre of the great northern clay belt, the entire country was found to be a dense forest of spruce, poplar, balsam of Gilead, jack-pine and birch, the spruce running from four inches in diameter up to thirty inches, and the poplar to about the same dimensions.

Dense Pulpwood Forests.

One of the oldest surveyors in the Province, Mr. Alexander McNiven, in describing the timber along his base

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and meridian lines run last season between Missinaba and the Mattagami Rivers, describes the timber as follows: "The timber is nearly all spruce, generally red or black, from four to fourteen inches in diameter. White spruce and poplar occur along the banks of the rivers and on the more level portions of the country, much of which is of large size, running up to twenty and thirty inches in diameter. Balsam of Gilead of large size is found in many places. White birch is found on some of the higher portions of the country, of good size. Balsam is frequently intermixed with other kinds of timber."

Mr. O. L. S. Speight confirms this official testimony, and from his statement it appears that in the eighty-five sur-

veyed townships the country is a dense pulpwood forest.

Whether we accept the estimate of 300,000,000 cords from official sources or the estimate of 200,000,000 cords from less sanguine residents of the far north, the figures stagger the imagination. The pulpwood assets of the Dominion of Canada constitute a national fact over-shadowing many others in their bearing on the industrial future of the country. An improvident course must in time leave the blight of denuded lands and starved waterways. Without entering at this time into the question of export restriction or governmental considerations, the first duty that seems clear is to save the pulpwood forests for all time from commercial vandalism.

[From The Globe of August 31st.]

ARTICLE NUMBER TWENTY-FOUR

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Sturgeon Falls.—In previous letters dealing with the pulpwood question I have said, however imperfectly, sufficient to convey some impression of the magnitude of the forests of Ontario. Already pulp is being ground in the mills here for export to the paper mills of Wisconsin. Commencing with this generation, during the present century the northern forests of Ontario will become a leading factor in the world's supply of paper. The time is approaching rapidly when the great printing presses of the United States daily newspapers must be fed with paper made from Canadian pulp. This is not said in a vainglorious or flaunting spirit. It is a cold fact. The United States must in the natural course of events look to Canada for much of her pulp or pulpwood supply. If the Canadian forests are denuded nothing of use or value, to say nothing of beauty, is left for either the paper users of the United States or Canada. It is an interest as common to the people of this whole continent as are the mines of Pennsylvania or Nova Scotia. The people of the United States must, by virtue of necessity, take the same

interest in the perpetuation of Canadian forest areas as the people of this Province would in the possible exhaustion of a coal field in the State of Pennsylvania.

Rising Prices for Pulp.

At Sturgeon Falls is one of the great pulp and paper mills of the Province, located on the river that carries down to its doors the spruce which feeds its ponderous grinders, and also supplies the power which makes the wheels revolve. The mill—it is probably no secret among financial men of the Province—has had difficulties in the past, partly due to the condition of the pulp and paper market, and doubtless to other drawbacks incidental to putting a large industry on its feet. A substantial town with modern buildings and public conveniences has grown up about the mill and within earshot of the cataract which gave the place its name. The whole aspect of the business has changed with the market conditions of the past fifteen months, and the future of the mills at this point is assured. The output is sold before it is manufactured, and an export business has been un-

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dertaken, so far as the mill can care for it, in addition to a firm domestic demand. The Manager, Mr. Gray, will perhaps pardon me telling of one circumstance which throws some light on the increasing appetite of the United States for Canadian pulpwood. I was in the company's office when the buyer for a large Chicago paper-supply house was endeavoring to secure a two-year contract for the delivery of four cars of pulp a day. The tariff was carefully scrutinized as to its application to certain grades of pulp, and then the domestic demand was weighed in the balance. Finally the Manager undertook to close a contract for one car of pulp per day for one year. The mills are running day and night, and already plans are under consideration for increasing the output and power development. This daily carload, it may be of interest to know, will find its way to the paper mills of Wisconsin. Raw material from Quebec and from Ontario is considerably augmenting the supply of material in that State, and is keeping alive a great industry, for there are forty-one paper mills in the State of Wisconsin.

Citizens of Ontario will recognize almost instinctively the similarity of the situation which existed in the lumber industry of Michigan when the Provincial Government imposed the restriction on the export of timber from the Crown

lands of the Province. The result of that legislation is told in the great mills which contribute to the prosperity of almost every port on the Georgian Bay. There was an economic and logical readjustment at that time. Whether a similar measure undertaken by the Federal Government would be wise in the light of all the circumstances will be left to the judgment of the public when all the facts have been presented.

Ontario's Advanced Legislation.

The Ontario Government on January 10, 1900, upon consideration of the report of Hon. E. J. Davis, Commissioner of Crown Lands, approved and enacted regulations prohibiting the export of pulpwood cut on lands of the Crown under authority of timber license or permit, and also stipulated that pulpwood cut from Crown lands under lease or permit must be manufactured in Canada. The regulations clearly specify that the word "manufactured" shall mean "made into merchantable pulp or paper." The results of this legislation are just commencing to be felt in Ontario, but it will be noted that, while Wisconsin goes to Quebec and strips the land of pulpwood, Ontario cuts the spruce, grinds it in Canadian mills, and then sells manufactured pulp to Wisconsin at the latest market quotation.

[From The Globe of September 3rd.]

ARTICLE NUMBER TWENTY-FIVE

Nepigon.—The Grand Trunk Pacific Railway will play its part in the development of the pulp and paper industry. This great transcontinental system will penetrate the forests of Ontario on the eastern boundary of the Province on the north side of Lake Abitibi, and skirting along its shore its bands of steel will extend onward northward through the districts of Nipissing, Algoma and Thunder Bay. The steel will touch the north shore of Lake Nipissing at the head of Ambobika Bay, a distance within the Province of five hundred miles.

Penetrates the Forest Areas.

The Grand Trunk Pacific Railway, according to departmental advices, will pass through almost the centre of the great northern clay belt, which is supposed to contain an area of nearly 16,000,000 acres of land. Almost throughout its entire length within the boundaries of Ontario the railway passes through a dense forest, in which up to the present time not one tree has been cut for commercial purposes. The railway intersects nearly all the larger tributaries of the Moose River. It also crosses and parallels several large

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streams flowing into the Albany River and the headwaters of many streams flowing into Lake Nepigon.

The importance of these conditions will be apparent when it is stated that the streams provide many excellent water-powers. These are so nominally necessary in the development of the pulp-grinding and paper-making industries, and it must be remembered also that the existence and permanency of these water-powers depend upon the preservation of the forests which clothe the watersheds.

Rich in Water-powers.

The waterways of the north were placed by Divine arrangement as though with especial consideration to some great industry based upon the forests which blanket their watersheds. Commencing at the eastern boundary of the Province, the first large body of water touched by the Grand Trunk Pacific is Lake Abitibi, which drains a large area and is a suitable location for the pulp mills of the future. Con-

tinuing westward the railway crosses the Abitibi River, Frederick House River, the Mattagami, Ground Hog, Kapuskasing, Opasatika and Missinaibi Rivers, and the tributaries of the Moose River, the smallest of which has an average width of not less than 200 feet and several of them a width of not less than 800 feet. These streams all have their source in the country along the height of land, and flow north in many instances over a hundred miles before they reach the Grand Trunk Pacific. On all these streams can be found large quantities of pulpwood, which may be floated to pulp mills on or near the railway.

The topographical advantages of the great north country cannot be fully dealt with on this occasion, and it does not require a commercial or industrial genius to realize that before many decades great pulp mills—and paper mills, perhaps—will afford the basis for the employment of thousands of workmen and a profitable source of investment for millions of capital.

[From The Globe of September 7th.]

ARTICLE NUMBER TWENTY-SIX

Nepigon.—The part that the Grand Trunk Pacific Railroad is to take in the development of the pulp and paper industry of Ontario was to some extent explained in a recent letter. It must be admitted that much of this great lone land has never been penetrated by civilized man, and much dependence is necessarily placed on the departmental advice often founded upon Indian testimony. The survey of the route of a new transcontinental railroad has revealed much of the wealth and possibilities of the country which were hitherto unknown. Proceeding westerly along the proposed line of railway after leaving the Moose River and its tributaries, a large tributary of the Albany River is crossed. This is the Mattawa, and it will be bridged about one hundred miles east of the boundary between Algoma and Thunder Bay. This territory is clothed with spruce and other woods suitable for pulp material.

The line continues westward, and parallels the English or Kenogami River, which has as its source Long Lake, a body of water nearly fifty miles in length, the southern end of which is no great distance from Lake Superior. The whole landscape in this vast district is set with hills and valleys clothed with pulpwood and lavishly provided with lakes and streams.

Splendid Waterways.

After leaving the Kenogami River the railway skirts the height of land between the waters flowing into Lake Nepigon and those flowing northerly into the Ogoke, a stream about 200 miles in length, flowing into the Albany River. Here again is a great area of forest almost black in its density—material which, if properly guarded from fires, scientifically culled and reforested, is the basis of much of the world's future supply of pulp and paper.

Possibilities of Branch Lines.

The possibilities of branch line construction multiply on consideration of the topography of the country. The time will doubtless arrive when a branch line will be extended to the Albany River near its junction with the English or Kenogami River, a distance of 75 miles. Then all the pulpwood and timber above that point on the Albany River and its branches for a distance of 300 miles would become tributary to the Grand Trunk Pacific.

Westward from Lake Nipigon for a distance of 100 miles pulp timber still continues, but varies in quantity and

quality as the tree life disappears toward the prairie and because it has been burnt over frequently.

Would Feed a Hundred Mills.

It has been carefully estimated that in a belt of land 150 miles wide, and extending 500 miles westward from boundary of Quebec, there is sufficient pulpwood to supply at least one hundred large pulp mills for generations to come, or, if properly protected, throughout all the ages. One hundred large paper mills could also live in this area without further loss of material. They would be of infinite benefit to the industrial and financial welfare of the country.

[Globe Editorial September 26th.]

NEWSPAPERS AND PULPWOOD

A special despatch to The Globe of yesterday contained the information that the American Newspaper Publishers' Association has requested President Roosevelt and Congress to investigate an alleged combine on the part of the paper-makers to limit the output of paper and to unduly enhance the price of news print. The present import duty on white paper for news print is six dollars a ton, and there is also a duty on wood pulp; the association at its recent New York meeting unanimously requested the repeal of these duties, and appointed a large committee to prosecute the movement as vigorously as possible.

The reason for this action is to be found in a scarcity of the paper on which newspapers are printed. This dearth of the publishers' raw material is due in part to the dry summer, which interfered with the manufacture of paper in places where the process is dependent on water-power, but it is due mainly to the rapid diminution of the supply of pulpwood in the United States. "The American newspapers," says The Editor and Publisher, "are eating up the spruce forests at the rate of 1,765,000 feet for every working day, and most of this timber is cut in the United States. The newspaper of to-day is in many instances

being delivered to its readers at less than the cost of the white paper alone. A single issue of a big city Sunday edition eats up the timber product of several acres." The tariff shuts out foreign pulp, and if an export duty were imposed by the Canadian Parliament on spruce timber there would soon be a grave crisis in the newspaper publishing business of the United States.

It may be asked why the newspaper publishers do not recoup themselves for the increased cost of white paper by increasing the price of their journals. This is more easily said than done, but some publishers are doing so in the large cities of the United States. In a number of cases the one-cent dailies have been put up to two cents, and many country weeklies have advanced their subscription prices. Some publishers are cutting down the size of their publications, others are reducing their headlines, and still others are using smaller type. All these remedies go but a little way to relieve the present distress, to say nothing of averting the impending danger. It is too late to do much in the way of conserving the supply of pulpwood in the United States, but there is still opportunity to do a great deal in the way of preventing a like situation from arising in Canada. What is urgently needed is

a policy of conservation of spruce forests through judicious selection of the trees to be cut, prevention of destruction by fire, and allowing abundant opportunity for reproduction. Whatever the future may have in store in the shape of sub-

stitutes for wood pulp, there is nothing yet in sight to displace sprucewood, and in her abundant supply of that timber Canada has a source of wealth that is well worthy of the most careful and intelligent treatment.

ARTICLE NUMBER TWENTY-SEVEN

"I believe in putting an export duty on pulpwood, but it should not be larger than the duty now charged by the United States on our wood pulp. The export duty should be retained until the United States removes the duty on Canadian pulp, and then it should be taken off."

This was the view expressed at the outset of a talk which a representative of The Globe had with Mr. John R. Barber in his Toronto offices recently as to the discussion which has been going on in regard to "Pulpwood and its Problems." Mr. Barber is one of the most competent authorities in Canada on this and kindred questions. He is President of the William Barber & Bros. paper mill at Georgetown, of the Toronto Paper Company's mills at Cornwall, of the Barber & Ellis Company, envelope manufacturers, Toronto and Brantford, Vice-President of the Spanish River Pulp & Paper Company and Vice-President of the Canada Coated Paper Mills at Georgetown. He is well acquainted with every phase of the papermaking business from the cutting of pulpwood up.

The Retaliation Cry.

Continuing the conversation, Mr. Barber said: "The retaliatory duty which will go into effect in the United States as soon as action is taken by Canada by the putting on of a duty need not alarm either the pulpwood or wood pulp exporters. I venture to predict that if the Canadian Parliament puts on an export duty immediately after the opening of the coming session the United States

Congress would within two months thereafter repeal the retaliatory duty and put Canadian pulp on the free list.

"A sign of the feeling in the United States was given at the meeting of the publishers of newspapers held last month for the purpose of formulating a demand for the free admission of Canadian paper and pulp. They will be supported in part by quite a large number of American papermakers who want Canadian pulp free of duty, but do not want the paper admitted on the same terms. My opinion is that there will be a compromise of the conflicting interests by admitting wood pulp free without any change in the present duty on paper. If the United States does not want our news paper other nations do, and with our ample supplies of wood and splendid water powers we can manufacture so as to undersell them in any foreign market."

Not a New Question.

Mr. Barber pointed out that the agitation to have a duty put on pulpwood or to prohibit the export of pulpwood was a recurrence of similar demands in the past, though they did not then attract so much attention because the importance of pulpwood as one of Canada's great natural resources was not so generally appreciated. Some fifteen years ago he was one of a deputation of paper manufacturers which waited upon Sir Charles Tupper and urged that an export duty be placed on pulpwood. Mr. J. McFarlane and himself were in favor of a duty of \$1 per cord, but they compromised with the late Mr. Eddy, who at first favored \$4 a cord, and the report which was drawn up for presentation to

Sir Charles urged a duty of \$2. At the time that this was presented, however, Mr. Eddy, who was one of the speakers on the occasion, made so strong a plea in favor of \$4 per cord duty that Sir Charles told the deputation that when they knew what they wanted themselves he would be glad to see them again. For the present he could do nothing for them.

Questions as to the preservation of the forests, with a view to the perpetuation of the pulp and paper making industry in Canada, were gone into at some length. Mr. Barber thought that the woods should be leased to the paper companies, and that some plan should be devised whereby they would aid the Government in a more thorough system of guarding against fires. He also believed that the size at which a tree might be cut should be limited to seven inches. Spruce reproduced itself within thirty to thirty-five years, and proper cutting and guarding against fire would insure continuous crops.

The United States Demand.

Discussing the increasing demand in the United States for Canadian pulpwood, Mr. Barber said that heretofore it had been almost entirely from the eastern States. Only a little of it had gone to the western States. Last spring, however, Wisconsin and Michigan, where supplies had, as is usual, been considered inexhaustible, awakened up to the fact that there was not enough wood within their borders to keep their paper mills running. Instead of blazoning their plans broadcast the papermakers got together quietly, appointed a joint buyer who went into the Province of Quebec and bought for the mills. He made contracts wherever he found that the cut was not already under contract, not alone for the one season, but for future seasons. When the eastern mills representatives went into the Province at their usual time they found that a march had been stolen upon them, and that what wood they could buy, where it was not already under contract, was high in price. Instead of combining with a view to doing the best they could for all, they

adopted the usual Yankee plan of "every man for himself," buying a little here and some there, and putting the prices up still higher. Another factor also enhanced prices last season—namely, the high prices on lumber, and the fact that the woodsmen were so busily engaged in cutting it that there was not so much pulpwood cut as the demand warranted. About the beginning of August, when the situation was becoming easier, a majority of the eastern States mills had to shut down owing to lack of water, and with lots of pulpwood in their yards had to come to Canada and buy pulp. Then it was found that the paper mills in competition with each other had put the prices of ground wood pulp, which had been \$12 to \$14 at the mills, up to \$22 to \$25. The resultant effect on the price of paper was an increase of about one-half a cent a pound.

One Cent Newspaper Passing.

While he looked forward to seeing more wood cut this season than last, Mr. Barber did not think there would be any notable ease in prices. In his opinion there would be a continual advance. The supply of the raw material under present conditions was, he said, growing less all the time, and the demand for the finished product was not decreasing. As to the effect on newspaper prices, he ventured the opinion that the day of the one-cent newspaper was passing. Publishers would have to go back to the two-cent newspaper in order to make any profit, and, so far particularly as the American newspapers were concerned, this would, he thought, mean that they would have to cut out a good deal of the so-called news and other stuff they now printed, and come back to the idea of printing the real news and advertisements, unless indeed some other material from which paper could easily be made was discovered, and there did not seem to be anything of that kind in sight yet.

Mr. Barber did not think that an export duty or the prevention of the export of pulpwood would result in the establishment of mills by Americans on this side of the line. Those who new

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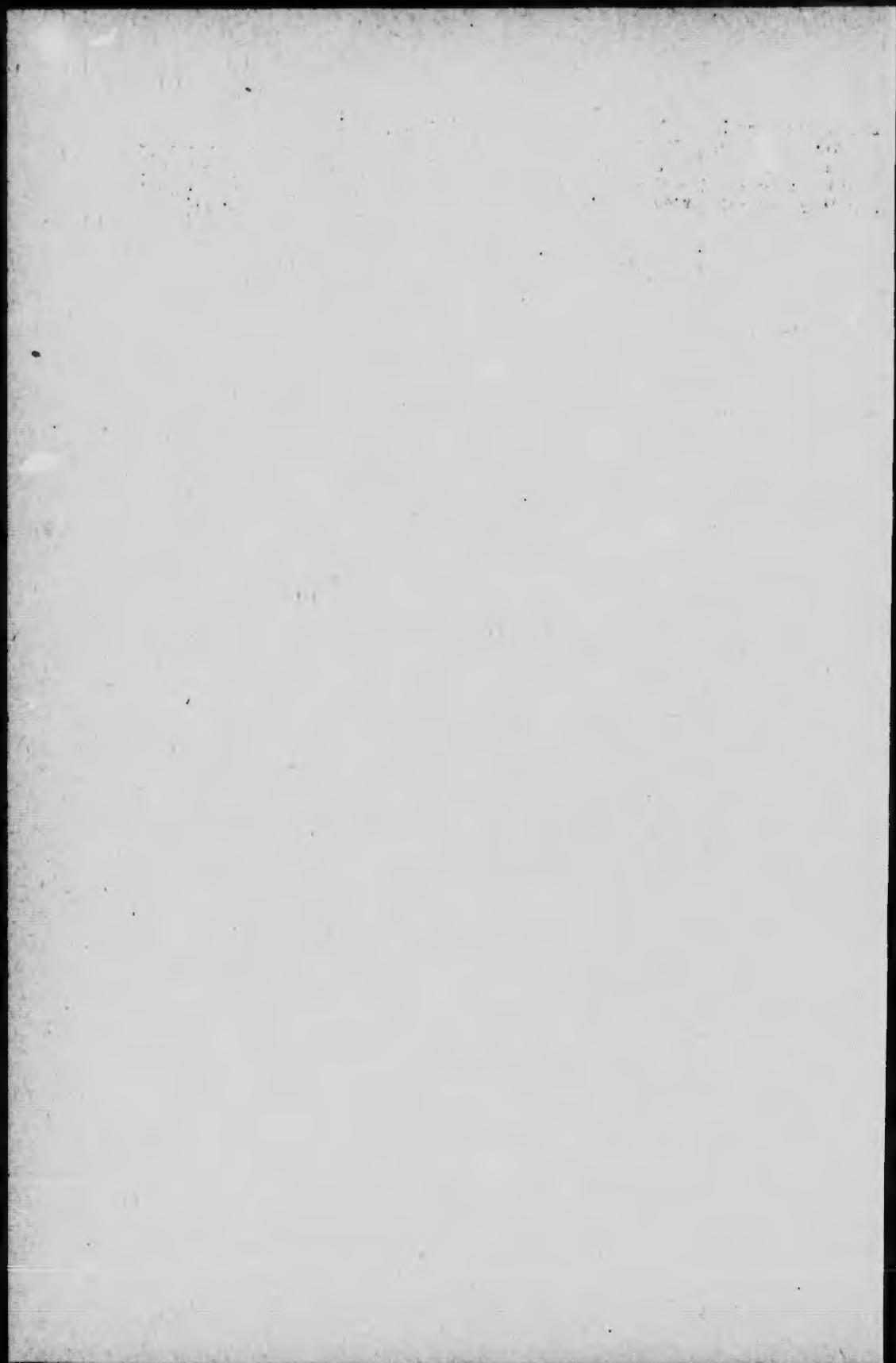
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had their money invested in mills, which are very costly, would not care about duplicating their investment here so long as they could get supplies from any source at prices that would permit a profit, however small, comparatively,

to what they had obtained before. In closing the interview he declared that to his knowledge there was no truth in the stories of combines of pulpwood dealers and pulp and paper makers either in Canada or the United States.





THE HOME OF CANADA'S NATIONAL NEWSPAPER